

# Herald INTERNATIONAL Tribune

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## In a Collapsing Istanbul, UN Muses on Housing

By John Pomfret  
Washington Post Service

**ISTANBUL** — The walls of Hatice Goktas's cramped, one-room apartment are scarred with a giant crack snaking from ceiling to floor. Last week it got bigger, swelling ominously to the width of a boa constrictor.

That's because the building next door collapsed, killing a 25-year-old man and seriously injuring six others.

The disintegration of the five-story building at 15 Hocaazade Street, wouldn't normally mean much in Istanbul, home to 6.6 million people by

official count but assumed to house 10 million or more.

Buildings fall down here every day. In a city in which the population grows by an estimated 400,000 a year — as people flood in from the impoverished countryside — breakneck expansion in sprawling shantytowns has rendered building permits a joke and a tumbling tower is just a vagary of life.

But the Hocaazade Street collapse has become a lightning rod of sorts for a city that is fed up. Habitat II, the United Nations' second conference on human settlements, opened Monday, and almost everybody in Istanbul has

something to say about it.

"Istanbul used to be a great city," mused a taxi driver, Yilmaz Tuncel, "but then Habitat came, and everything is miserable. I want all these UN people to go home."

Mr. Tuncel griped as his taxi and a mechanic's nightmare of other vehicles — a horse-drawn cart, two dilapidated buses spewing black smoke, a pickup truck lugging 16 laborers and one incongruously regal Siamese cat, and a string of dented automobiles — sat waiting for road work to be finished. In front of them, workers piled bricks on a crosswalk.

The coming of Habitat II has prompted Istanbul's city government to rip up dozens of miles of sidewalks and roadways in an attempt to beautify this stunning, if anarchic, metropolis, which straddles Asia and Europe. Throughout the Sultanahmet section of town, home to some of Istanbul's many ancient architectural treasures — notably the Blue Mosque and the Ayasofya Orthodox Church — and all through Taksim, the tony site of the conference across town, traffic has been brought to a standstill. Scores of

See CONFERENCE, Page 7

## NATO Broadens Combat Flexibility Under a Careful Compromise, Europe Could Act Without U.S.

By Rick Atkinson  
Washington Post Service

**BERLIN** — NATO foreign ministers agreed Monday to give European nations greater independence in launching military operations without U.S. leadership as part of a broad restructuring plan intended to make the Atlantic alliance more flexible and less focused on East-West confrontations.

Approval of the reorganization scheme followed several days of intense wrangling as the United States sought an agreement that allowed its European allies more responsibility for security missions without diminishing Washington's traditional role as overall leader of the 47-year-old alliance.

U.S. and European officials alike pronounced themselves satisfied with the compromise adopted by foreign min-

isters of the 16 member states meeting for the first time in Berlin.

"There is real substance in today's decision," Secretary of State Warren M. Christopher told reporters. "This provides for a stronger NATO, a more flexible NATO, and allows our European allies to take more responsibility."

The French foreign minister, Hervé de Charette, who has pressed for a stronger European defense pillar, said: "France is satisfied because for the first time in alliance history, Europe will really be able to express its personality. For the first time we have gone from words to deeds."

Under a new concept called "combined joint task forces," two or more NATO forces will be able to launch a military operation with their own troops while borrowing such vital assets as transport aircraft, communications equipment and satellite intelligence, which are largely American-owned.

Such a mission, which would require unanimous approval from NATO's 16-member North Atlantic Council, would then fall under the military command of the Western European Union, a 10-nation European organization that until now has been largely impotent since being formed in 1954.

"In the long run, it is neither in the American nor the European interest that we have to call our American friends each time something flares up some-



Israeli soldiers and bomb disposal experts checking the area near the West Bank village of Bidia where a bomb exploded Monday, wounding four workers.

## Assad Sees No Hope of Talks Soon With Israel

By Douglas Feil  
New York Times Service

**CAIRO** — In his first public comment since Israeli voters elected a new prime minister, President Hafez Assad of Syria said Monday that he had no hope that peace talks between Israel and Syria would resume soon and that he believed "things are not going ahead in a positive direction."

Mr. Assad and President Hosni Mubarak of Egypt both spoke guardedly after meeting here for nearly four hours.

saying that they would wait and see what policies Benjamin Netanyahu's government adopts before deciding how to respond to them.

But neither leader managed to disguise a sense of gloom about the election of Mr. Netanyahu, who is seen as far less inclined to compromise than his predecessor, Shimon Peres, to widen the peace between Israel and its Arab neighbors.

Later Monday, however, the new Israeli leader announced that Mr. Mubarak and King Hussein of Jordan

had agreed to meet with him "as soon as possible." (Page 7)

The new Israeli leader used a speech Sunday to make gestures of conciliation, calling on Arab neighbors to "join the circle of peace." But Mr. Netanyahu did not mention either Syria or Lebanon by name, and that was being interpreted here as a sign that he intends to maintain a hard line in any future peace talks with them.

Israel broke off its talks with Syria in March after a wave of suicide bombings by Hamas militants in Israel that killed 59

people. It had been expected that Mr. Peres might resume those talks if elected, but Mr. Netanyahu has shown no intention of so doing.

The Israeli leader also has ruled out returning the Golan Heights to Syria, as demanded by Damascus as a price for peace. Mr. Assad said Monday he believed that "resuming talks is not on the agenda" of the new Israeli government.

Asked to summarize his outlook after Mr. Netanyahu's victory, Mr. Assad

See MIDEAST, Page 4

## South Korean Titans Sidestep Scandals

By Donald Kirk  
Special to the Herald Tribune

**SEOUL** — It's business as usual for the titans of South Korean industry, even those accused of having bribed the two former South Korean presidents currently standing trial here.

Nine of South Korea's most prominent business leaders, including Lee Kun Hee, chairman of Samsung Co., and Kim Woo Choong, chairman of Daewoo Corp., are under indictment on charges of having paid hundreds of millions of dollars in bribes in exchange for government contracts.

But the charges against the executives seem to be almost forgotten as South Korea is riveted by the trial of former Presidents Chun Doo Hwan and Roh Tae Woo on charges including brutality and corruption.

In fact, the executives seem to continue to receive the full support of the South Korean government as they prepare for record earnings in 1996.

"Those who are indicted but not in jail have no problem in doing business," said Moon Young Ho, a prosecutor who is in charge of all the cases springing from the trials of the two former presidents.

The charges have not prevented the conglomerates, known as *chaebol*, or "fortune clusters," from racking up record profits and setting the pace for a booming economy that drove South Korea's gross national product up 9 percent last year.

"It is really business as usual — even the more the better," said Cho Jang Won, a Samsung spokesman.

"The general view of the people is that it did not hurt production," says Chang So Kan, assistant minister for planning and management at the Ministry of Trade, Industry and Energy.

"The business operations of the groups are going perfect."

See CHAEBOL, Page 4

## Professor Dukakis Learned His Lesson

By Francis X. Clines  
New York Times Service

**BOSTON** — With a bittersweet laugh trilling back toward 1988, Michael S. Dukakis described the fate that has befallen him: "I teach my mistakes."

The onetime Democratic presidential candidate remembered for losing famously eight years ago still talks in the present tense, and quite fondly, of "being in this business" — in politics — even as he faces campaign mistakes that he can now only teach, not rectify, in his afterlife in academia.

"While Horton was a twofer: crime and race in the same guy," said Mr. Dukakis, contending that the Republicans border on tiresome in invariably

running a three-point campaign for the presidency.

"Crime, race and patriotism," he intoned, summarizing lessons from hard experience when he became the front-runner who faded because he disdained fully confronting the opposition's attack advertisements.

"Ever since Nixon beat Humphrey," he said, "and here we go again."

He paused, a mere spectator at the edge of the 1996 campaign, then smiled from somewhere down memory lane. "Remember 'acid, amnesty and abortion? The version they used against McGovern, remember?"

Mr. Dukakis seemed at ease, more nostalgic than bitter in his observations as he sat in his small brick office at Northeastern University in Boston after finishing a class on state and local government.

True as ever to his strict sense of relevancy, he avoided all classroom mention of the hot political topic of the day, the conviction of some of President Bill Clinton's political and business associates in the Whitewater trial.

He will discuss that freely later in the year when he is teaching his course on the American presidency, not state and local government, he noted carefully. In this day's course he was trying to get his students to deal with the statehouse problems of Connecticut and the city crises of Bridgeport.

Fidelity to lesson plan was, in the analysis of some critics, a smug and

See DUKAKIS, Page 7

## French Anoint the 'Cédérom'

Agence France-Presse

**PARIS** — The term "CD-ROM" has been deemed unsuitable for the French language and will be replaced by the Gallicized "cédérom," the Académie Française said Monday.

The French Academy has a conservative reputation on allowing Anglicisms into the language.

As a new stand-alone term, like radar or laser, it has until now been written down in a way which clashes

with our written language," said a statement.

"The Académie has therefore decided to Gallicize it by bringing it into line with its pronunciation."

"Cédérom" will be included in the next edition of the French Academy's dictionary with the following annotation: "Cédérom (masculine noun) (final in pronunciation). Adapted from the American term CD-ROM (Compact Disc Read Only Memory)."

## Chechens Denounce Russian Attack

**MOSCOW** (Reuters) — Chechen rebels confirmed that they would attend talks with Russian officials on Tuesday, but said Moscow's army was jeopardizing a newly signed peace deal by bombing Chechen villages.

"Russian aviation delivered a powerful bombing raid in the Nozhai-Yurt and Vedeno regions," said Novladi Udogov, a Chechen rebel

spokesman, adding that the raid lasted 25 minutes.

Mr. Udogov said he had no information on casualties, but expected to have word later Tuesday. No immediate comment was available from the Russian side.

The cease-fire, which took effect at midnight Friday, has already been soured by allegations of violations from both sides. Mr. Udogov said the continued fighting so close to the June 16 presidential election was placing the country in jeopardy.

"These are very serious symptoms that threaten the peace agreement signed on May 26, a real threat which has arisen during the election campaign and could end tragically for Russia as a whole," Mr. Udogov said in a late-night call to Reuters.

## Beef Ban Is Upheld

**LUXEMBOURG** (AFP) — European Union farm ministers failed Monday to agree to lift the ban on Britain's exports of the beef by-products gelatin, tallow and semen, officials said. Six countries voted against the proposal.

Earlier article, Page 5.



UPSET — Defending champion Thomas Muster lost Monday at the French Open to Michael Stich. Page 22.

Newsstand Prices

Bahrain	1,000 Din	Malta	55 c.
Cyprus	£ 1.00	Nigeria	125.00 Naira
Denmark	14.00 D.Kr.	Oman	1,250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	10.00 R.
Great Britain	£ 0.90	Saudi Arabia	10.00 R.
Egypt	£ 0.85	S. Africa	10.00 R.
Jordan	1,250 JD	U.A.E.	10.00 Dirh
Kenya	1,250 K.S.H.	U.S. M.L. (Eur.)	1.20
Kuwait	600 Fils	Zimbabwe	2m. \$30.00





## List of 31 Factories / Software, Music and Videos

## China Feeling U.S. Heat on Intellectual Piracy

By David E. Sanger  
New York Times Service

WASHINGTON — A detailed study by the Clinton administration of Chinese factories that are pirating billions of dollars' worth of American software, music and videos shows that almost all the operations are partly owned by foreign companies, some of them working from nations that are close allies and trading partners of the United States.

The list has been circulating in recent days among American companies with enormous stakes in the outcome of the latest confrontation between Beijing and Washington.

The United States has warned China that it will impose 100 percent tariffs on \$2 billion to \$3 billion in Chinese goods on June 17 unless the factories are shut down and other steps are taken to enforce a 16-month-old agreement on the protection of American intellectual property that is being copied and exported by Chinese factories.

A small team of American negotiators headed to China over the weekend after officials there indicated that they wanted to reopen talks. A session is scheduled for late this week.

While the threat of American sanctions has been directed at Beijing, the administration's sanctions list raises the question of whether China bears sole responsibility for the theft of the American-made goods, which range from recordings of Michael Jackson's music to copies of Windows 95 and other popular American computer software.

And although China is the site of the pirating operations — which are often partly owned by the Chinese military or by other government agencies — the foreign investors in those operations come largely from Hong Kong and Taiwan. Two of the factories appear to be part-owned by interests from Singapore or Japan.

The acting U.S. trade representative, Charlene Barshefsky, said last week that her office was working with Hong Kong and Taiwan to bar the shipment to any factory in China of key equipment that enables the copying of disks. The participation of outsiders, she argued, did not relieve Beijing of responsibility to stop the piracy.

"One cannot excuse Chinese inaction simply because there are foreign investors," Ms. Barshefsky said. "They should be closed down because the Chinese committed to closing them down, and because they are in violation of Chinese laws."

No U.S. allies have agreed to join the sanctions against China, even though the piracy also costs Japanese and German companies millions of dollars.

A few, including Japan, have made it clear that they consider the American threats of sanctions against China unwise. Canada and Mexico have expressed similar views on the tightened American embargo of Cuba.

The detailed list of the 31 factories and scores of companies said to be involved in piracy was prepared by the U.S. trade representative's office, administration officials say, to try to give China a road map of what it must do in the next two weeks to avoid the imposition of sanctions.

"We didn't want to hear the excuse that they couldn't find the offenders," a senior official said. "By handing them the list, we are doing everything but picking their officials up and taking them to the factory door."

In recent days Chinese authorities have announced another crackdown on the plants that illegally copy tens of thousands of disks each day, but they have closed only a handful.

Under a commonly discussed scenario for a settlement, China will close 13 or so of the most egregious violators in the next two weeks and agree to a schedule for closing the rest. It would also step up enforcement and inspections at the border to stop export of illegal goods.

American officials say they assume that China wants to avoid a confrontation just as Congress is considering the



Charlene Barshefsky, the acting U.S. trade representative, threatened trade sanctions last month unless China puts a stop to copyright infringement that is harming U.S. companies.

annual renewal of China's broader trading benefits, known as most-favored-nation status. President Bill Clinton has notified Congress that he wants to renew the preferential trading status, which the United States extends to virtually all its other trade partners. Congress has 60 days to reject that request.

An unknown factor is who in the Chinese leadership is making the decisions. Some Chinese officials have said that it is time to stand up to American economic muscle, meeting sanctions with counter-sanctions against American goods or companies operating in China.

While sanctions could lead to a further deterioration of U.S. relations with Beijing, signing a partial deal to get the plants closed could prove politically tricky for Mr. Clinton. He has entered into an agreement with China that called for the closing of all the plants by last July, and that deadline was ignored.

If a new deal produces little result, the administration will be open to further criticism from Senator Bob Dole, the presumed Republican presidential nominee, along the lines that Mr. Clinton has been a paper tiger with the Chinese, threatening harsh action but failing to follow through.

The American list of pirate factories includes the names, locations and phone and fax numbers of each of 31 plants that Washington says are the sources of the majority of counterfeit compact disks and CD-ROM software.

Frequently, the high-capacity CD-ROMs are stuffed with many different programs worth thousands of dollars. Such compilation disks are often sold on the streets of Shanghai or Hong Kong for \$5 to \$20. China has recently begun exporting the disks aggressively, chiefly through Southeast Asia.

Among the names of foreign companies on the list are some that sound as if they have a link to the United States —

the "U.S.-Sino Foreign Development Company," an investor in a large factory in the Shenzhen special economic zone near Hong Kong, or the "American Yinyun Company."

But officials say that so far, they have found no connections to owners in the United States. The government list does not include any of the underground factories that are not registered with the Chinese government but that also appear to be active in copying American products.

Some corporate executives who have reviewed the list say that many of the names are familiar and involve Chinese companies that are fronts for Beijing government agencies or the military. Some of the foreign investors, they assert, have been involved in other piracy activities.

"We've seen cases where factories had been operating in Taiwan, stealing our video games," said Lynn Hvalsoe, general counsel of Nintendo of America, the U.S. subsidiary of the Japanese game manufacturer. "When things got too hot, they disassembled the factory and rebuilt it in China."

Ms. Hvalsoe said in a recent interview that a few weeks ago Nintendo persuaded the Chinese authorities to raid a factory that was illegally reproducing video games, saturating the Chinese market with fake Game Boy machines.

Soon after the raid started, she said, a factory manager informed the investigators that the factory was partly owned by the Chinese military. The factory is still operating.

## TOMORROW

The number of U.S. diplomats stationed abroad to track political affairs, police trade agreements and help travelers is shrinking fast. Budget pressure is forcing the closure of consulates, aid missions, libraries, cultural centers, even a few entire embassies.

## Nervous Turks Tilt to Israel

By John Pomfret  
Washington Post Service

ANKARA — Turkey is bolstering its military ties with Israel in a move many Turkish officials say is necessary to maintain the strategically important country's stability in a volatile region.

The effort involves a joint training agreement with the Israeli Air Force and Navy, concluded in February. Turkey and Israel also are discussing weapons sales and the use of Israeli technology to police Turkey's porous borders, Turkish and Israeli officials say.

The Turkish move comes amid signs of increasing tension between Turkey and its historically unfriendly and unstable neighbors. Turkey's relations with Iran and Greece have deteriorated. Ties with its Arab neighbors, Iraq and Syria, continue strained.

In addition, Turkey and Israel are both non-Arab countries in a region populated mainly by Arabs, and both seek to orient themselves more toward Europe and the United States than toward their Arab neighbors.

In that light, Turkey's decision to pursue closer military ties with Israel has stirred controversy in the region and among a predominantly Muslim population.

Iran and Syria sharply criticized Turkey's move to allow Israeli pilots to train in Turkey's airspace — not least because one base is in Konya, a center of Islam in Turkey.

Inside Turkey, this country's swing toward Israel comes as the nation, formed in 1923 by a pro-Western military commander, Mustafa Kemal Ataturk, is caught in a political struggle between those who believe it should maintain its secular, pro-Western course, and an increasingly powerful movement that backs a return to its Muslim roots and a rejection of its NATO membership and close partnership with the United States.

General Cevik Bir, deputy chief of the general staff, said Turkey concluded the pact because "Turkey and Israel are the two democratic countries in the region, and we must show the region that democracies can work together."

Analysts, however, point to other reasons. A senior Turkish diplomat bemoaned his homeland as "being damned by geography." Three of its neighbors — Iran, Iraq and Syria — are on the State Department's list of nations supporting terrorism. Ties with a fourth, Greece, are strained because of quarrels involving Aegean airspace, seabed rights and sovereignty over some Aegean islands close to the Turkish coast, and perennial tension over Cyprus. To the east, the countries of the formerly Soviet Caucasus region remain unpredictable.

In mid-January, Turkish police caught six large Iranian trucks packed with weapons in the southern town of Sanliurfa. Officials said the cache was bound for pro-Iranian Hezbollah guerrillas in Lebanon and came at a time when Syria, responding to U.S. pressure, apparently had closed its airport to deliveries of Iranian guns.

Two months later, ties were strained further when a Turkish hit man implicated Iranian diplomats in ordering the slaying of a Turkish journalist. The two countries expelled a total of 12 diplomats.

In February, Turkey and Israel signed the military-training agreement; the change in Israeli governments brought on by last week's elections is not expected to alter the accord.

Initially, Turkish officials said the deal would be limited to allowing Israeli pilots to use Turkey's larger airspace to practice. But in an interview, General Bir said joint naval maneuvers are also being considered.

The Israeli newspaper Ha'aretz, meanwhile, reported that Turkey would allow Israel to conduct electronic surveillance flights along Turkey's borders with Iran, Iraq and Syria. In exchange, it said, Israel would help Turkey secure its borders against infiltration by Kurdish separatist guerrillas.

He confirmed that the two nations are discussing the transfer of Israeli border-monitoring technology. But the Foreign Ministry denied that Israeli warplanes would be allowed to swoop on Turkey's neighbors.

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## TRAVEL UPDATE

## Trainmen Open Paris Strike Week

PARIS (AFP) — Strikes disrupted train service in Paris on Monday at the start of a week of planned industrial action and demonstrations across France in defense of jobs.

Stoppages by Paris rail workers caused delays and cancellations on a number of suburban lines. Telecommunication workers' unions have called for a strike Tuesday to protest plans for a partial privatization of the public telephone operator France Telecom.

On Wednesday, workers from the gas and electricity utilities have been called out to protest European Commission plans to deregulate the European energy industry. Finally, on Thursday workers from the railroads, power industry, post office, public transportation and teachers have been called to take part in a demonstration in Paris.

## Taipei Rapid Transit Breaks Down

TAIPEI (AFP) — Taipei's rapid transit system broke down Monday after the French builder, Matra Transport, pulled its officials out of the country in a payment dispute with the city government, officials said.

The Mucha line stopped for more than six hours and reopened only after one of its two controlling computers was repaired. Mayor Chen Shui-bian told reporters he did "not rule out Matra could have done something before it pulled out of Taiwan to both the computer and its spare system, which suddenly broke down at the same time." Matra rejected the suggestion as a "groundless charge."

Two Moroccan labor unions have called for a 24-hour general strike for Wednesday.

Northwest Airlines plans to open a route between Seattle and Jakarta in July, making it the first U.S. airline to fly the route.

## WEATHER

Europe				Asia			
Today	High	Low	High	Today	High	Low	High
High	Low	High	Low	High	Low	High	Low
Algeria	24/75	18/64	27/80	18/61	23/71	18/61	23/71
Austria	18/64	12/53	20/68	18/61	23/71	18/61	23/71
Belgium	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Denmark	15/59	6/43	18/64	9/48	21/68	9/48	21/68
France	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Germany	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Greece	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Ireland	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Italy	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Japan	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Spain	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Sweden	15/59	6/43	18/64	9/48	21/68	9/48	21/68
Switzerland	15/59	6/43	18/64	9/48	21/68	9/48	21/68
UK	15/59	6/43	18/64	9/48	21/68	9/48	21/68
USA	15/59	6/43	18/64	9/48	21/68	9/48	21/68

Forecast for Wednesday through Friday, as provided by AccuWeather.



There is a potential for rain and mainly dry in Hot and humid in Taiwan.

There is a potential for rain and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

Legend: sun, sunny; cloudy, cloudy; drizzle, drizzle; rain, rain; snow, snow; ice, ice; W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

North America: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

Europe: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

Asia: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

Africa: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

Latin America: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

South America: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

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South: Warm and mainly dry in Hot and humid in Taiwan. London and Paris Wednesday and Thursday, then a week with little or no rain. Showers and muggy in New York City and Sunny and warm later this week. Showers and muggy in Washington, D.C. Wednesday. Showers are possible in Vancouver and Seattle later this week.

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## THE AMERICAS

## Some Cities Contend That Curfews Cut Teenage Crime, but Do They?

By Fox Butterfield  
New York Times Service

NEW YORK — Nightly curfews for teenagers, like those recommended by President Bill Clinton and Senator Bob Dole, have shown encouraging signs of reducing juvenile crime in several cities across the nation.

Yet a number of experts and law-enforcement officials said that while the curfews are overwhelmingly popular with politicians and the public, they may produce only temporary benefits and do not resolve the fundamental problems of restoring family discipline or providing young people with better schools or job opportunities.

The critics also pointed out that most juvenile crime occurs after school, from 3 to 6 P.M., not late at night when most of the curfews are in force.

"Curfews are a quick and easy fix, but not necessarily effective," said James Alan Fox, dean of the College of Crimi-

nal Justice at Northeastern University. "The problem with curfew laws is that most kids, the good, the bad and the tired, are asleep at midnight," the hour at which many cities' curfews begin.

There are no accurate nationwide data on the effectiveness of curfews, which vary from city to city in hours and ages covered, or on the level of enforcement. But the police in some large cities where curfews have been instituted in the last several years have reported significant declines in violent crime by young people.

In Dallas, where a curfew took effect in May 1994 for all youths under the age of 17, violent crimes by juveniles have decreased by 30.3 percent and overall juvenile crime is down by 20.7 percent, compared with the two-year period before the ordinance began, said Sergeant Jim Chandler, a police spokesman.

"These figures tell us that the curfew works," he said. "Fewer kids on the streets mean fewer crimes and fewer victims."

Some experts said the issue is not whether curfews are useful but whether the right people are instituting them.

One expert is Geoffrey Canada, who grew up in the South Bronx, New York, in the late 1950s and '60s and who is the president of the Rheedlen Centers, an organization in Harlem that provides after-school programs for poor children and their parents.

"There's nothing wrong with saying kids should be home at night — my mother had a curfew that I hated," Mr. Canada said. "But I'm concerned that having the police detain children after curfew is only a short-term solution that does not answer the question of teaching parents to raise their kids better and prepare them for the workplace."

He said he was also troubled "that the very people who say they want less government, to end welfare and Medicaid, are cheering for police to come into your living room and tell you how to raise your kids."

In a speech Thursday in New Orleans, Mr. Clinton urged more cities and towns to consider imposing curfews to deter juvenile violence. He cited a new Justice Department report that found that curfews are in effect in 146 of the nation's 200 largest cities, with generally good results. He also pointed to reports of success in Dallas, Phoenix and New Orleans. On Wednesday, in Redondo Beach, California, Mr. Dole spoke favorably about a curfew there.

In fact, faced with a tripling in the number of homicides by teenagers during the last decade, 90 of the 200 largest cities have introduced curfew ordinances or toughened existing laws since 1990, according to the Justice Department report. Altogether, more than 1,000 communities have imposed juvenile curfews.

In Dallas in 1995, the first full year of the curfew, the police picked up about 4,000 young people, of whom 2,500 were repeat offenders who were given

citations ordering them to court. The police issued citations to 65 parents who were judged to have known that their children violated the curfew. Youths and their parents, at the court's discretion, can be fined as much as \$500 or ordered to perform community service, like cleaning up graffiti.

In Phoenix, juvenile arrests for violent crimes, including homicide, rape, robbery and assault, decreased by 10 percent in the first year after the city began a curfew in May 1993, said the police chief, Dennis Garrett.

In New Orleans, there was a 27 percent drop in juvenile crime during curfew hours in 1994 compared with 1993, before the curfew began, the Justice Department report said.

New Orleans has the most stringent curfew of any other major city, a "dusk to dawn" ordinance that begins at 8 P.M. in the winter and 9 P.M. in the summer.

In most other cities, curfews generally

begin at 11 P.M. on school nights and at midnight on Fridays and Saturdays. Before introducing the plan, Mayor Marc Morial commissioned an opinion poll in which 89 percent of voters in New Orleans backed the curfew.

Some cities are more skeptical about the value of curfews.

Harry Shorstein, the state attorney for Jacksonville, Florida, which has a new curfew, said he had seen only "a minimal impact" from the law because "we know that most crimes occur during school hours as a result of truancy or after school gets out and before dinner time."

"I'm not totally anti-curfew, but I'm afraid it's simplistic," he said.

Instead, Mr. Shorstein has found that truancy prevention is much more effective in reducing juvenile crime. Of the first 100 serious habitual juvenile delinquents he incarcerated under a major new program in 1992, 93 were habitual truants.

## Clinton Foe May Testify In Whitewater

By Neil A. Lewis  
New York Times Service

WASHINGTON — Senator Alfonse M. D'Amato said Monday that the special Whitewater panel of which he is chairman will try to take testimony in the next several days from David Hale, a former Arkansas municipal judge who is one of President Bill Clinton's chief accusers in the Whitewater affair.

Mr. Hale, a convicted felon, has charged that Mr. Clinton years ago pressed him to make an illegal federally backed loan which was used to help the Whitewater real estate investment. Mr. Clinton has resolutely denied the allegation.

Mr. D'Amato received a letter Monday from Kenneth W. Starr, the independent counsel investigating Whitewater, clearing the way for Mr. Hale to testify before the committee. Mr. Starr wrote that if the committee granted immunity from further prosecution to Mr. Hale for anything he said during the session, it would not "interfere with our ability to prosecute criminal violations."

In response, Mr. D'Amato, a New York Republican, scheduled a session on Wednesday during which the committee would vote on whether to grant immunity to Mr. Hale.

But although the committee is controlled by Republicans, a two-thirds vote is needed to grant a witness immunity.

Mr. Hale has made it clear that he would not testify unless he had such a grant.

That leaves the committee's Democrats scrambling to decide if it is better to block Mr. Hale's testimony and endure the inevitable criticism or agree to allow him to testify and discredit him at the hearing.

Jane Sherburne, a special counsel to the president, said Monday that the White House has not offered its advice to the Senate panel's Democrats.

## Florida Trucker Charged In ValuJet Crash Theft

The Associated Press

MIAMI — A truck driver transporting wreckage of ValuJet Flight 592 was charged Monday with stealing parts of the downed plane, federal agents said.

Michael E. Gadsden, 35, of Fort Lauderdale, said he took a circuit breaker, which investigators consider a valuable clue, and a piece of fuselage as souvenirs, according to the FBI.

The agency identified him as a former employee of Resolve Towing and Salvage, which has the contract to recover the scattered pieces of the DC-9. He was responsible for driving aircraft parts from the crash site to a hangar.

On May 31, FBI agents found two aircraft parts at Mr. Gadsden's Fort Lauderdale home. The parts were identified by Greg Feith, the National Transportation Safety Board's chief ValuJet crash investigator.

Investigators were eager to inspect the circuit breaker to see if it might have

been involved in the fire that raged aboard the jet as it crashed.

ValuJet officials acknowledged after the crash that the airplane's circuit-breaker boxes were replaced before it took off that day in Atlanta as Flight 591, the first leg of what would have been a round trip.

ValuJet said Sunday its flight schedule is about 50 percent of the level before the crash, down from about 62 percent it reported several days after the crash.

It attributed the cutbacks to stepped-up inspections by teams of federal investigators.

The Atlanta-based airline also said it has cut the advance-purchase requirement for its lowest fares from 21 days to seven.

"We want to give our customers our best fares as we build our schedule back up. We want to be as flexible as we can, with the media beating us up," a ValuJet spokeswoman said.



COOLING OFF — Four swimmers at Lake Superior collecting ice for a cooler at McCarty's Cove in Marquette, Michigan. Because of an unusually cool spring, ice on the lake has been slow to melt.

## Dole's Campaign Manager: 36, Single-Minded and Tough

By Katharine Q. Seelye  
New York Times Service

WASHINGTON — Scott Reed, Bob Dole's campaign manager, sits at his desk at campaign headquarters here in a classic Reed pose, with eight rows of papers strong on neatly before him, arrayed like spokes on a bicycle wheel.

On top of the papers are two pads of lined white paper, with two lengthy lists running down each pad. Mr. Reed will have eliminated each paper from each row before he leaves.

He is a manager in the truest sense. Not one to hustle his way into the limelight or gab in blue-sky strategy sessions, this 36-year-old political operative is more often at his desk, on the telephone, carefully installing each brick in the vast construction that is a presidential campaign.

Perhaps because he keeps his head

down, Mr. Reed has achieved a rarefied status among Dole managers from campaigns past. He has survived.

"I don't lose sight of my real job here, which is to execute the campaign," he said. "I don't spend a lot of time running around town giving speeches."

"I focus on execute, execute, execute."

For all of Mr. Reed's focus and determination, his candidate has lagged in the polls behind President Bill Clinton for months.

But that is a problem many analysts attribute less to weaknesses in the campaign than in the candidate: his age (72), his deep attachment to Washington, his difficulty in delivering a good speech and his struggle to project a real reason for wanting to be president.

Mr. Reed painted a brighter picture. He said the "real" polls — Republican polls that is — showed Mr. Dole 10 or 12

points behind, not the 20 or 25 reported by national news organizations.

Analyzing the opposition, Mr. Reed said the Clinton campaign made "very good day-to-day tactical decisions, but they don't have a feel for the broader sense of what they're doing to their candidate."

"They're twisting the guy around like a pretzel," he added. "The more Clinton blurs and attempts to blur his ideology the more the race is going to focus on character, and that helps us. We don't have to do it. He's doing it himself."

To critics like William Bennett and William Kristol, prominent Republicans who complained publicly last month that the Dole campaign was not gelling, Mr. Reed has a ready response.

"I make the argument," Mr. Reed said, "What are your ideas? And what are your specific ideas, not just hypothetical stare-at-the-ceiling smoke-a-ci-

garette talk-about-theory ideas? What are your specific ideas on how to move the ball? And what you find out is most of them don't have any."

"I've made mistakes," he said. "I do every day."

He counted among them his failure to "reach out" to Mr. Bennett and Mr. Kristol earlier than he did.

Mr. Reed assiduously avoids the Washington culture. He lives in Annapolis, Maryland, 40 minutes from campaign headquarters. He leaves home by 6:30 in the morning and tries to escape from the office by 7 in the evening. He likes to relax by sailing on Chesapeake Bay with his wife, who raises horses, and her two teenage sons from a previous marriage.

He was born in Delaware, where his father was a chemical engineer for Du Pont, and graduated from St. Lawrence University in Canton, New York, in

1982. He worked for a Delaware congressman, ran a successful re-election campaign for a Republican mayor in Bridgeport, Connecticut (which is largely Democratic), and joined Ronald Reagan's re-election effort in 1984.

In 1985 he became the youngest regional political director for the Republican National Committee. After the 1988 presidential race, he became chief of staff at the Department of Housing and Urban Development, headed by Mr. Kemp.

Mr. Dole did not know Mr. Reed before he hired him in late 1994. But he came recommended by Haley Barbour, chairman of the Republican National Committee.

Now Mr. Reed's relationship with Mr. Dole has evolved to the point where, when Mr. Dole decided in April to quit the Senate after 35 years, he discussed it with only his wife and Mr. Reed.

## Away From Politics

• The FBI cut off electric power to the Freeman ranch in Jordan, Montana, stepping up the pressure on the anti-government extremists to surrender. The move came on the 71st day of the standoff. (AP)

• A cellular telephone company plans to build a 100-foot relay tower, disguised as a white fir tree, in thick woods on George Washington's estate in Mount Vernon, Virginia. The group that owns the estate insisted on the camouflage before agreeing to lease the tower space. (AP)

• A German airman training with U.S. forces at Fort Bliss in New Mexico died when a vehicle that he was in overturned. (AP)

## Tweezerman for Congress?

WASHINGTON — After an exhaustive nationwide talent search, the Pluckiest Candidate of 1996 has been found. He is "Tweezerman," Democratic hopeful for Congress from Long Island.

Dal LaMagna, 49, has sold enough eyebrow tweezers, rotary nose hair clippers and pinless eyelash curlers — \$15 million worth annually — to make himself rich and keep 65 people employed. He knows "these are very obscure products to most American people," but he's counting on the women's vote. In fact, he stuck "Tweezerman for Congress" under his company's regular ads in Glamour, Self and Allure magazines. Already, as The Wall Street Journal first reported, he has earned the solid support of Nailpro magazine.

The candidate, facing a three-term conservative Republican incumbent, Peter King, in an affluent district with a big Republican voting edge, promises to impose term limits on himself. He wants the job for four years only, preferring to think of a congressional stint as a public-service sabbatical. (WP)

## Perot's People Get Hands Dirty

LOS ANGELES — While the Reform Party's Ross Perot offers simple kick-the-tires fixes for the nation's ills, his followers are learning that building a new political party from the ground up can be a messy, complicated, learn-as-you-go business.

"Can we run a raffle?" one delegate asked California's Reform Party secretary, Jim Mangia of Los Angeles, during a political organizing workshop.

As he juggled the questions, Mr. Mangia, 35, told delegates the idea was to have strong, growing local chapters rather than a top-down "administrative shell with no life to it."

After a rousing speech by Mr. Perot to inspire the ground troops, some 300 party members settled down for the work part. The final session of the two-day meeting was devoted to the gritty-gritty of party building. (LAT)

## Quote/Unquote

Newt Gingrich, saying on a television interview program that he would not attend the wedding if his half-sister Candace, a lesbian, planned to marry another woman: "I wouldn't regard it as a marriage. We as a society have an interest in strengthening classic, traditional marriages and defining that marriage, I think, as a man and a woman." (LAT)

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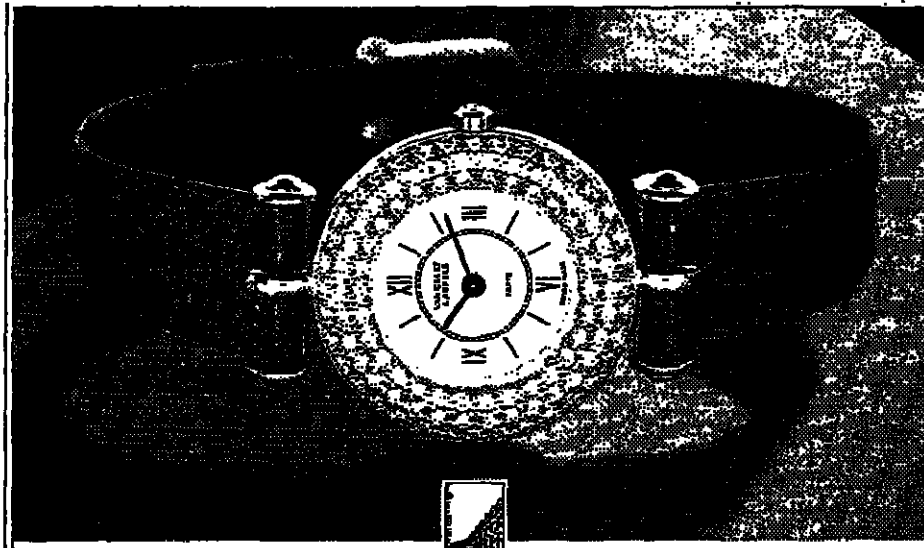
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## ASIA/PACIFIC

# Hong Kong Speculates On Aide's Resignation

He Is Said to Covet Post-'97 Governorship

By Kevin Murphy  
International Herald Tribune

HONG KONG — Tung Chee-hwa, a leading candidate to become governor after Hong Kong returns to Chinese rule, resigned Monday from a senior advisory position on the colony's Executive Council.

The move will intensify speculation that Mr. Tung is preparing for a clearer run at Hong Kong's top government job amid signs of increasing competition for the powerful position, analysts said.

Mr. Tung said in a statement that he was resigning because of the conflict of interest in his role as a senior, confidential adviser to both the Chinese and Hong Kong governments, at a time of increasing polarization in local politics.

The Shanghai-born Mr. Tung, 59, whose family firm controls one of the world's largest shipping container lines,

was among the first batch of prominent Hong Kong business and community leaders appointed as advisers to China by Beijing in March 1992.

Governor Chris Patten of Hong Kong invited Mr. Tung to serve on the government's Executive Council in October 1992, a sign of Mr. Tung's general support from influential commercial and political circles on both sides of the border.

Mr. Tung continued his dual advisory role through the worst months of tensions between Britain and China over London's electoral reform plans for Hong Kong.

But his appointment this year as a vice chairman of China's Preparatory Committee, a group scripting Beijing's resumption of control over Hong Kong, has brought into focus the difficulties of serving two governments.

The committee will serve to organize the replacement of Hong Kong's elected Legislative Council. It also will plan the selection, after the handover, of the first chief executive of the Hong Kong Special Administrative Region.

In a statement referring to Mr. Tung, Mr. Patten said: "He and I recognized that, at some point, he might find that the tensions between his two roles became too difficult to reconcile. Clearly that point has now come."

One of Mr. Tung's colleagues said: "He's serving on two committees where he's bound to keep those discussions confidential. Saying nothing at times was really getting painful."

Although Mr. Tung has generally succeeded in keeping a low political profile, he is frequently mentioned as the most likely replacement for Mr. Patten as first chief executive of Hong Kong after the transfer of power on July 1, 1997.

But even though he is backed by many members of the local business community, Mr. Tung has yet to openly declare his interest in serving in the top job.

Mr. Tung denied in his statement Monday that there was any link between his decision to resign from the Executive Council and the choice later this year of a chief executive by a selection committee to be formed by China.

But Mr. Tung's main rival for the chief executive's position, Lo Tak-shing, a local businessman and publisher, has begun actively courting community support for his selection as Hong Kong's senior political official.

## Tokyo to Apologize to Women

TOKYO — Prime Minister Ryutaro Hashimoto has promised he would write a letter of apology to accompany a compensation payment to the Asian women forced into sexual slavery during World War II, his office said Monday.

## North Korea Said to Ask U.S. For Food Aid

Reuters

SEOUL — North Korea asked the United States for 100,000 tons of food aid when a U.S. congressman visited Pyongyang last month, according to South Korean news sources.

The Yonhap news agency quoted a diplomatic source in South Korea as saying William B. Richardson, Democrat of New Mexico, passed on the request to President Bill Clinton.

"During Richardson's visit to North Korea, Ri Hyong Chol, director general of the American Affairs Bureau in Pyongyang's Foreign Ministry, expressed his government's wish to have 100,000 tons of food grain from the United States," Yonhap quoted the source as saying.

Mr. Richardson, returning from his North Korean visit, said at a news conference in South Korea last week that he believed North Koreans were preoccupied with the food crisis that has affected millions of people following floods last year.

But he sidestepped a question about whether North Korea was linking food aid to peace talks, proposed by Mr. Clinton and by President Kim Young Sam of South Korea.

North Korea has so far made no formal response to a U.S. proposal for talks to replace an armistice accord that ended the Korean War with a peace treaty.

Washington, along with its allies Japan and South Korea, are holding off on aid, partly as a result of South Korean concerns that it may end up helping the North's armed forces.



ON THE SQUARE — Police mingling with tourists in Beijing's Tiananmen Square Monday amid tighter security on the eve of the seventh anniversary of democracy protests.

## India Seeks a Political Platform

Coalition Partners Are Striving to Harmonize Interests

Reuters

NEW DELHI — India's new center-left government struggled Monday to work out a set of policies to balance the interests of more than a dozen coalition partners.

Prime Minister H.D. Deve Gowda hoped to release the policy platform, called the "common minimum program," on Tuesday.

Mr. Gowda's United Front alliance is backed by former Prime Minister P.V. Narasimha Rao's Congress (I) Party, which finished second in general elections behind the Hindu nationalist Bharatiya Janata Party.

With the support of 332 lawmakers in the 545-member lower house of Parliament, Mr. Gowda was expected to breeze through a vote of confidence he wants held on June 10.

But a tougher task was to iron

out differences among the United Front's factions, which range from free traders to Communists.

"As a nation we are embarked upon a new course," Finance Minister Palaniappan Chidambaram said. "We begin today a new experiment in governance."

A driving force behind Mr. Rao's pathbreaking economic liberalization program, Mr. Chidambaram brought cheer to financial markets that had been wary of the influence of Socialists and Communists in the United Front.

Minutes after he was sworn in on Saturday, Mr. Gowda promised to press ahead with the economic reforms, which have opened India to foreign trade and investment.

But Mr. Chidambaram said there was debate over how re-

forms should be pursued. "On economic reforms, the mandate of the electorate reflects both the consensus and the differences on aspects of economic reforms," he said in a written statement.

Leftist parties have demanded that the nation's poor benefit from liberalization. It is more favorable to target subsidies that critics say could push up the fiscal deficit, jeopardizing growth.

The left is reluctant to dismantle the state's role in public sector firms that emerged during more than four decades of socialism until Mr. Rao took power.

The center-left has also been more reluctant than Mr. Rao's Congress Party to give free rein to foreign investors, preferring to channel funds toward India's neediest business sectors, such as power, transport and telecommunications companies.

## BRIEFLY ASIA

## China Arms Dump Is Surveyed

BEIJING — The Japanese Imperial Army left behind far fewer chemical weapons in China at the end of World War II than Beijing's assessments have shown, said Japanese experts who ended a survey Monday.

Experts found evidence of only 770,000 chemical weapons at an underground arms dump in mountains in northeastern Jilin province, diplomats said.

The Chinese Army, which buried most of the chemical weapons left behind by retreating Japanese troops, has said there are as many as 1.8 million Japanese chemical shells buried there. (Reuters)

## A Call for Defiance in Burma

BANGKOK — The Burmese opposition called Monday for a campaign of defiance against the military government in Rangoon, saying the administration was pushing the country into danger with its refusal to negotiate.

The National Council of the Union of Burma said in a statement that the government's recent verbal attacks on Daw Aung San Suu Kyi and her National League for Democracy party showed that the generals were unwilling to open a dialogue on resolving Burma's political problems.

Referring to Burma's ruling State Law and Order Restoration Council, the opposition alliance said, "The SLORC is demotedly attempting to consolidate the military dictatorship and is pushing the country senselessly towards a very dangerous state." (Reuters)

## Beijing Cracks Down on Crime

BEIJING — Chinese police in full riot gear patrolled the streets here Monday, boosting the crackdown on crime a day before the seventh anniversary of the army's suppression of student-led protests in Beijing.

Police patrols, intensified as part of a campaign against crime launched in April, were expanded to three vehicles from one and included helmeted officers equipped with automatic rifles. (Reuters)

## 45 Die in Pakistan Heat Wave

ISLAMABAD, Pakistan — A heat wave gripping Pakistan has killed at least 45 people over the past week, state radio said Monday.

The private Pakistan Press International news agency put the death toll at 186, but there was no official confirmation of this figure.

The radio quoted official sources as saying the deaths occurred in the central province of Punjab and in the southern province of Sindh in temperatures ranging up to 49 degrees centigrade (120 Fahrenheit). (Reuters)

## Mines Kill 8 Sri Lanka Civilians

COLOMBO — A mine blew up a tractor-trailer, killing eight civilians riding in the vehicle in the northern Jaffna Peninsula, military sources said Monday.

Another civilian was wounded in the incident on Sunday, said a military spokesman. Guerrillas left the mines behind as they fled when the military captured the peninsula last month. (AP)

## VOICES From Asia

Mulayam Singh Yadav, India's new defense minister: "Our government will spend every single penny of available resources to upgrade the capability of the armed forces. The government will take all steps to ensure that our armed forces remain in a state of readiness better than that of any potential enemy." (AP)

Ikuo Hayashi, a former surgeon who was an official in Aum Shinrikyo in Japan, on the guru Shoko Asahara: "Asahara's teachings are not religion or anything. They are fraudulent and self-righteous and aimed at justifying himself and fulfilling his own lust." (AP)



THE RACE IS ON — Bicycle and motorcycle drivers competing for business at a Hanoi train station Monday.

## Hanoi Press Chief Defends Party Moves

Compiled by Our Staff From Dispatches

HANOI — The head of Vietnam's official press agency has accused foreign news organizations of misreading preparations for leadership changes at this month's Communist Party congress as infighting and factionalism.

"From the foreign press and radio broadcasts there have come nonsensical speculations about this faction and that," said Do Phuoc, director-general of the Vietnam News Agency.

"It's because their authors don't understand or persist in misunderstanding the people and leaders of Vietnam," he added in the Sunday edition of Vietnam News, seen Monday by reporters.

Sources said that age had emerged as a key issue in discussions about changes to the leadership, and especially to the inner and secretive Politburo.

The Politburo's most senior posts — general secretary of the party, president and prime minister — are all held by men in their 70s.

Mr. Phuoc, saying new blood was needed at the top of the party, revealed that nearly every member of the powerful Central Committee who was over the age of 65 had asked to step down.

He added that about 100 new people "in the prime of life" had been selected to be presented as candidates for the roughly 150-member committee at the congress.

Mr. Phuoc, 65, was himself elected a member of the committee at the last congress in 1991.

He said that although the leadership should now include many people in the 40-50 age bracket, there should also be a number of people of an advanced age to ensure continuity.

Aside from the age issue, the Foreign Ministry last month rejected a damning report by a British think tank that said the country's reform process was under threat from hardliners in a party rent by divisions.

The International Institute for Strategic Studies report said that for the past year the party had been engaged in a power struggle for top positions in the party, state and military.

The Foreign Ministry described the institute's thesis as the "subjective imagination of the report's author."

In another development linked to the party congress, diplomats and travel agents said Vietnam had imposed limits

on visas ahead of the congress this month in an apparent move to restrict the entry of foreigners into the country for security reasons.

The Foreign Ministry denied Monday that there were any restrictions, saying visas were being issued normally.

But embassies here and a number of travel agencies said individual tourists wishing to visit Hanoi had been refused visas.

Travel agents in Australia said they had been advised by Vietnamese officials that no visas would be issued to enter Hanoi, but the restriction would not apply to Ho Chi Minh City.

Vietnamese officials had warned agents that visas were taking longer than normal to issue and urgent applications should be avoided.

The restrictions are believed to apply until early July following the end of the Communist Party congress, which will open on June 28 for three days. The restrictions do not appear to concern tour groups.

Some foreign residents of Hanoi had been asked to leave the city for the duration of the last congress, which was in 1991. (AFP, Reuters)

## CHAEBOL: Titans Sidestep Scandals

Continued from Page 1

The South Korean government seems to be fully behind the companies. Recently, it reaffirmed its confidence in Samsung and Daewoo by approving new deals with North Korea and easing the companies' credit.

No one suggests an explicit understanding between government and the chaebol leaders on the corruption cases, but observers say the feeling is the government wants to show it has no desire to penalize the country's leading companies — or jeopardize its vibrant economy.

The Korean public also seems unphased by the indictments. Hearings in the cases now go virtually unnoticed and unreported here.

That contrasts with the sensational trials of Mr. Chun and Mr. Roh, which are lavishly reported every time either of them is escorted under heavy guard from their prison cells for a session in court.

In addition to the bribery charges, the former presidents, both retired army generals, face trial on mutiny and treason charges arising from the 1979 coup that brought them to power and a 1980 military crackdown in the Kwangju revolt that killed and wounded hundreds of anti-government protesters.

"The big attention is on Roh and Chun for the military coup and Kwangju rather than the bribe money," said Tim Stannos, an analyst at the W.I. Carr brokerage in Seoul. "Everything else is swept under the carpet."

But investors appear to be taking a closer look. The arrest Sunday of South Korea's top stock market regulator on charges of bribery stunned Seoul's markets Monday as jittery investors sold shares on fears of more damaging corruption scandals, news agencies reported. Page 19.

For Daewoo, the real question is whether Mr. Kim can continue to advance the auto maker's production from 23d in the world as of last year.

Mr. Kim continues to travel abroad despite the charges that he passed along \$20 million in payoffs to Mr. Roh during his presidency between 1988 and 1993.

Daewoo posted 1995 sales of \$57 billion — and is aiming for more than \$70 billion in sales in 1996.

The company has earmarked a total investment in motor vehicle expansion of more than \$2 billion — including \$1.2 billion for a new plant in Korea.

Meanwhile, Lee Kun Hee of Samsung, who has already faced three hearings on charges of giving about \$13 million in bribes to Mr. Roh, also continues to fly around the world trying to drum up business.

"He is in a very free position," a Samsung spokesman said. "He is quite the same."

Samsung, the leading chaebol in 1995 with sales of \$83.8 billion, is aiming for sales of \$105 billion this year.

The company has been pouring billions of dollars into new factories, such as a motor vehicle plant in Pusan and an electronics facility in Austin, Texas.

The leaders of other chaebol caught up in the prosecutors' net behave with equal confidence.

Chung Tae Soo, chairman of Hanbo Group, was held for 20 days before he was released on bond, and now faces charges of giving about \$13 million in bribes.

Mr. Song Jin Myong, general manager in Hanbo's planning department, said the group would double sales, mainly in steel products and construction, to \$8.12 billion in 1996.

Mr. Song expects the case against his boss to go until September — after the prosecutor has finished with the cases against Mr. Roh and Mr. Chun.

But by that time, many observers here think the public will be sufficiently satisfied with the cases against Mr. Roh and Mr. Chun that the cases against the others will fade into obscurity.

## Greek Cypriot Soldier Slain by Turkish Troops

The Associated Press

NICOSIA — Turkish troops fatally shot a Greek Cypriot soldier Monday in the no-man's-land that splits the island, and the Greek side immediately denounced the killing as "cold-blooded murder."

The Greek Cypriot government also summoned the resident UN representative to protest the killing of Private Stelios Panayi, a 19-year-old conscript.

Turkish Cypriot officials said Private Panayi was "fully armed" when, for unknown reasons, he entered the UN-patrolled buffer zone that divides the Greek and Turkish sides of the island.

He was shot only after failing to respond to shouted warnings and two warning shots fired in the air, officials said.

The shooting, the first killing along the so-called Green Line in three years, may further strain relations between NATO partners Greece and Turkey. Both countries have military personnel on the island supporting the separate Greek Cypriot and Turkish Cypriot communities.

Tensions have been running high between Greece and Turkey since they threatened to go to war earlier this year over two disputed Aegean Sea islets.

## MIDEAST: Assad Is Pessimistic

Continued from Page 1

said: "Initially, we have a feeling that things are not going ahead in a positive direction. That is why we need to remain vigilant so that we don't drop our guard and get taken for fools."

The Syrian made clear that he was referring to other Arab leaders, and his remark appeared to have been directed at King Hussein of Jordan, who said over the weekend that he saw no reason for alarm in the election outcome.

But Mr. Assad also seemed to hesitate in responding to questions, as if he himself were unsure exactly what tone to adopt.

The talks between Mr. Assad and Mr. Mubarak were the first in a series of high-level Arab meetings intended to coordinate reaction to Mr. Netanyahu's victory. On Wednesday, King Hussein, Mr. Mubarak and Yasser Arafat are scheduled to meet in the Jordanian port of Aqaba on the Red Sea.

Earlier Monday, Syria used even tougher language to warn Mr. Netanyahu to change course, saying that his chances for peace would be destroyed if his campaign positions become official Israeli policy.

"We do not want to predict the policy which will be led by Netanyahu, but commitment to Likud's election program will detonate the region and escalate tension and instability," a senior Syrian official wrote in a front-page commentary in the government newspaper Tishreen.

Egypt, which made peace with Israel 17 years ago, has been more restrained in its criticism, and Mr. Mubarak said after his meeting with Mr. Assad that his government would "investigate further" before making judgments.

"We decided it would be wise to bide our time and wait to see how the behavior of the new government will be, even if the speech which the prime minister-elect made yesterday did not inspire optimism," Mr. Mubarak said.

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## EUROPE

# Britain Steps Up Attack To End Beef Embargo

By Tom Buerkle  
International Herald Tribune

LUXEMBOURG — Britain on Monday stepped up its diplomatic offensive to end the European Union's ban on its beef exports by presenting its first detailed plan to eradicate "mad cow" disease and pressing its allies to agree to guidelines for gradually lifting the ban.

But despite signs of softening on both sides, Britain and its EU partners remained at odds as London continued its two-week-old policy of obstructing decisions until the ban is eased.

On Monday, British officials blocked a total of 10 decisions, including measures to fight fraud against the EU budget and to designate 1997 the European Year Against Racism, both of which Britain in principle supports.

"I can't believe anyone can be pleased with this example of lack of solidarity on such a crucial issue," Padraig Flynn, the EU commissioner for social affairs, said of the racism motion. "The question I ask is, 'Who wins today?'"

Agriculture ministers from 9 of 15 EU nations indicated Monday at the Luxembourg meeting that they would support the first easing of the embargo. That would be enough support to enable the European Commission, the EU's executive body, to allow Britain later this week to resume exports of bull semen and the beef byproducts tallow and gelatin, a symbolically important but economically marginal step.

But officials made clear that much of the Continent continued to oppose any early lifting of the ban on exports of meat and calves. Hard-liners led by the Netherlands and Germany, where mad-cow fears have caused the biggest drop in beef consumption, insisted that London go beyond the promise of action and show progress in sharply reducing incidence of bovine spongiform encephalopathy.

"We have to see results on the ground in Britain, because so far they have failed to deliver," a German diplomat said.

Ireland's farm minister, Ivan Yates, said Monday it was inevitable the ban on beef derivatives would be eased, Reuters reported.

"There is an inevitability," Mr. Yates said, adding that Spain had decided to support an easing of the ban. "We have moved," he said, "to a situation where it is time to act."

Britain's surprise announcement in March that the disease was suspected of causing a similar, fatal brain condition

in humans led the Union to impose the ban, costing Britain hundreds of millions of dollars in annual exports.

Agriculture Minister Douglas Hogg hinted at a softening in Britain's stance on Monday, saying London would not insist on a precise timetable for lifting the ban before dropping its policy of obstruction. Senior British officials also said London would begin implementing its eradication plan without conditions. The government had said previously that it would slaughter suspect cattle only if the Union first agreed to lift the export ban.

"What we are seeking to do is to agree on a framework which will provide for a step-by-step relaxation in the ban leading to a full lifting," Mr. Hogg said. Britain hopes to begin by winning EU backing to resume beef exports to non-EU countries and to resume exports of calves born after July 1, 1996, when the government contends that all animal feed in Britain will be disease-free.

The 120-page eradication plan will take time to study, officials said, and many EU countries are reluctant to give in to what they consider Britain's blackmail tactics.

"The British are playing with fire," Karel van Miert, the EU competition commissioner, wrote in the Belgian daily *De Standaard*. "The more they block EU decisions the more they run the risk of all the others lining up against them."

# St. Petersburg's Liberal Mayor Loses

By Alessandra Stanley  
New York Times Service

MOSCOW — The mayor of St. Petersburg, a liberal who was an early, close ally of Boris N. Yeltsin and remains a symbol of Russia's reform movement, narrowly lost his bid for re-election on Sunday to his former deputy.

But the preliminary results, which were released Monday, did not signal voters' rejection of free-market reform and democratic rule.

Mayor Anatoli Sobchak and his successor, Vladimir Yakovlev, both support economic reform and Mr. Yeltsin's re-election bid. Mostly, the voting suggested that St. Petersburg's residents had tired of their famous, charismatic but increasingly unpopular mayor.

St. Petersburg is one of Russia's few reform strongholds, and Communist and nationalist challengers there were shut out in the first round of voting on May 19. After that, Mr. Sobchak sought to cast the

election as a battle between reform and revanchism. Mostly, the municipal election turned out to be a referendum on Mr. Sobchak's tenure. Weary of five years of drastic economic changes, shrinking services and corruption scandals, voters chose a fresh face.

In his campaign, Mr. Yakovlev capitalized on citizens' concerns about shrinking social services, unemployment and ailing industries. He cast himself

as a hands-on manager, and attacked his rival for courting the West and neglecting municipal problems.

Mr. Sobchak, 58, a former law professor who rose to prominence by challenging the Soviet system in the late 1980s and siding with Mr. Yeltsin in the aborted coup of August 1991, was touted as a possible presidential

candidate when he became mayor in 1991. But early in his tenure, he began distancing himself from the Russian president, sharply criticizing the strategy and details of the Kremlin's economic and political reforms.

Early on, he also began alienating the intelligentsia who had brought him to power by encouraging business interests and controversial development deals. His popularity ebbed as reform's promise of prosperity dwindled.

In the second round, Mr. Yakovlev, 51, cobbled together a broad coalition, and said he would not rule out including Communists in his administration as long as they were "competent."

After his victory, he moved quickly to assure the public that his election would not signal a break with economic reform. Mr. Yakovlev said he would do "everything in my power to unite democratic forces for reforms and the prosperity of citizens."

In his concession speech, Mr. Sobchak, who is not

known for his modesty, likened his defeat to that of Winston Churchill's after World War II. "People who got sick and tired of hard living and who came to believe the promises of his competitors rejected Churchill, the savior of the country, the symbol of victory," Mr. Sobchak said.

He vowed he would not leave politics and warned that his defeat might be a harbinger for the presidential election in June. "If the presidential election follows the pattern of the St. Petersburg election," he said, "I have serious worries about Russia's future."

Mr. Yeltsin, however, did not appear to share Mr. Sobchak's fears that the St. Petersburg election was a testing ground for his own political future. The Russian president did not endorse his erstwhile ally in the campaign. And the powerful mayor of Moscow, Yuri Luzkov, a co-chairman of Mr. Yeltsin's re-election campaign, who has clashed with Mr. Sobchak in the past, openly favored Mr. Yakovlev.

# Klaus Seeks To Rule With Minority After Czech Election

Compiled by Lisa Staff From Dispatches

PRAGUE — Prime Minister Vaclav Klaus launched a battle for his political life Monday, vowing to hold onto power after weekend elections stripped him of his parliamentary majority.

In an interview with the pro-government newspaper *Telegraf*, Mr. Klaus suggested that a minority regrouping of his coalition, the last conservative government in Eastern Europe, was probably the only option left for the country.

"I don't see a lot of further possibilities," he said. "We must begin to work intensively on this."

Official results Monday confirmed what computer projections had forecast: Mr. Klaus's coalition won only 99 seats in the new 220-member Parliament, down from 112.

Mr. Klaus said no mainstream party would want to deal with the reformed Communists or far-right Republicans, which together won 40 seats in the elections Friday and Saturday.

Czechs did not follow the lead of other former Soviet bloc countries in returning former Communists to power, but the vote signaled an apparent desire to slow the quick pace of reform pursued by Mr. Klaus, an ardent free-market advocate.

The election's biggest winner was Milos Zeman's center-left Social Democratic Party, which leaped from 24 to 61 seats and became the strong opposition force the country had lacked since its split with Slovakia in 1993.

While this signaled that Czech politics are becoming more like those of Western Europe, with classic left and right blocs, it makes for immediate uncertainty.

President Vaclav Havel, the man who negotiated the capitulation of communism in the country's 1989 "Velvet Revolution," stepped back into the political fray.

He summoned Mr. Klaus, Mr. Zeman and the leaders of the two junior coalition partners, the Christian Democrats and the center-right Civic Democratic Alliance, to separate talks Monday.

Mr. Klaus's Civic Democratic Party emerged strongest with 68 seats.

In his four years in power, Mr. Klaus pushed ahead with a mass privatization policy while slashing inflation and keeping the unemployment rate at only 3 percent. Other reforms may go on hold unless a strong government emerges. (Reuters, AP)

## BRIEFLY EUROPE

## Nastase Trails in Bucharest

BUCHAREST — Ilie Nastase, the former Romanian tennis star, was slipping Monday in his government-backed bid to become mayor of Bucharest, his opponents in the Democratic Party said.

No official results of Sunday's first-round poll were available by midday Monday, but the opposition Democratic Convention of Romania said its candidate, Victor Ciorbe, was leading with 43 percent of the vote to Mr. Nastase's 32 percent.

Mr. Nastase, who will be 50 next month, is being presented as the governing party's standard-bearer in the election.

Despite the low turnout, counting was slow. The electoral commission said official results would not be known before Thursday. (AFP)

## Albanians Cite Another Win

TIRANA, Albania — The governing Democratic Party said Monday that it had won another big victory in the second round of a general election, boycotted by most opposition parties and criticized by Western observers.

The opposition, which withdrew from the first round and refused to take part in the second, charged that the former Communist country's third multiparty poll had been rigged. Many Western governments have called for a partial repeat of the election.

The conservative Democrats of President Sali Berisha won six out of nine seats contested in the second round on Sunday, a week after winning 95 of 115 constituencies in the first round. (Reuters)

## Priebke Addresses Court

ROME — Erich Priebke, the former SS captain on trial for the worst atrocity in Italy in World War II, declared in a written statement on Monday that he and other German officers had protested when the killings were ordered.

Mr. Priebke, 82, also spoke for the first time to the military court that is trying him but refused to answer questions about the charges against him.

But he wrote in a four-page statement handed to the court by a defense lawyer that he and other officers had been reluctant to carry out the massacre of 335 men and boys in the Ardeatine Caves on the outskirts of Rome in March 1944. (Reuters)

## Kohl Asks Pope to Alter View

BERLIN — Chancellor Helmut Kohl, a Roman Catholic, thinks Pope John Paul II should reconsider his opposition to artificial birth control, according to an interview made public Monday.

Mr. Kohl told a Catholic publishing group that he had already discussed the issue of contraception several times in private with the Pope, who is due to visit Germany on June 21 to 23. (Reuters)

## Calendar

European Union events scheduled for Tuesday:

LUXEMBOURG: Justice and interior ministers meet.

BRUSSELS: The commissioner for the internal market, Mario Monti, meets the Italian secretary of state for foreign affairs, Piero Fassino. Sources: Agence Europe, AFP

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## INTERNATIONAL

## Mood of Mistrust Is Building As Russia's Election Nears

By Michael R. Gordon  
New York Times Service

MOSCOW — Like many Russians, Vladimir Zakharov is reluctant to say which presidential candidate will get his vote in the election this month. But he is quick to declare his certainty that the votes will not be counted fairly.

"Whenever cheating is possible, they will do it," the former store manager said. "I am sure the Yeltsin team will cheat whenever it has the opportunity."

Even as millions of Russians prepare to vote June 16, a sense of distrust hangs over the election. Hardened by decades of Soviet rule and skeptical about the durability of tentative political reforms, many Russians assume that there will be fraud.

These deep anxieties are being exploited by the Communists, who charge daily that the Yeltsin government is planning to falsify the results.

The Communists are hoping to score points with voters, but they are also laying the groundwork to challenge the results in court should they lose.

"There is only one way for Yeltsin to win — fraud," Valentin Kuptsov, a senior aide to Gennadi A. Zyuganov, the Communist candidate, declared in an interview.

With more than 90,000 polling sites, pro-Yeltsin regional governors and a strong network of Communist cells in rural areas, the hard-fought election — the first presidential election in the new Russia — will almost certainly be tainted by allegations of fraud, especially in a contest in which a few percentage points could make the difference.

However, Russian officials and international monitors insist it will not be easy to steal the election. For all the deficiencies in Russia's emerging electoral system, it has a powerful system of checks and balances. The procedures, which rely on paper bal-

lots and a hierarchy of electoral commissions, are decentralized, unwieldy and not easily manipulated.

Rival candidates have the right to assign observers at polling places and at the major vote-counting centers. That makes it unlikely that large-scale fraud could go unnoticed if the campaigns can mobilize enough people, experts say.

"To accomplish this fraud on the national scale is just impossible," said Olga Zastozhnyaya, a commissioner at the Central Election Commission and a member of the party called Russia's Choice, which supports free-market reforms. "Maybe in an organized and disciplined place like Germany it could be done. But it is not possible in this country on the national scale."

At the Election Commission headquarters in Moscow, officials insist they are striving to make Russia's electoral system second to none in the world.

"We are going to overtake the United States in the sphere of democracy," boasted Alexander Ivanchenko, the deputy chairman. By any measure, however, monitoring the election will be a daunting task.

The commission estimates that as many as 80 percent of the 105 million eligible voters will go to the polls, which in many cases may be little more than a classroom.

On their paper ballots, the voters will choose among 11 candidates or mark that they are against all the listed candidates. If no candidate receives more than 50 percent, a runoff by the two in front is set for July 7.

Counting the votes will be a long and laborious process. First, the votes will be tabulated at the more than 90,000 polling places by local commissions.

Observers for rival campaigns have the right to be present. Three official records of the count will be prepared, including one that will be posted for the parties' ob-

servers, journalists and international monitors.

The results will be forwarded to 2,700 territorial election commissions. Those will add up the numbers and report the total to 89 regional headquarters. Candidates also have the right to assign observers to these vote-tabulation centers.

Finally, the results will be reported to the Central Election Commission, whose chairman, Nikolai Ryabov, was appointed to the panel by President Boris N. Yeltsin.

But the commission also includes members from other parties, including the Communists.

Computers will be used to speed up the reporting of preliminary results, but the official result will be based on the paper ballots.

The election arrangements have drawn fire from the Communists and the reformist party named Yabloko, or Apple, which joined forces to introduce legislation to revise procedures.

"I am concerned that whatever side loses will claim fraud," said Viktor Sheinis, a member of Parliament from the Yabloko group.

The proposed law calls for spot checks at 2 percent of the polling places.

It would also enable any group of 10 citizens to nominate an observer, a procedure that Mr. Sheinis said is needed for monitoring in rural areas, where the political campaigns are not well organized.

For all the debate over changing the procedures, international monitors say the current system should be fair if the candidates mobilize enough polling observers.

Some leading politicians also discount a possibility of any widespread fraud.

Alexander Lebed, a retired general and a candidate running on a nationalist program, said that fraud would be a relatively minor factor.

He estimated that no more than a maximum of 3 percent to 5 percent of the vote total could be rigged.



UP AGAINST THE WALL — A member of the Russian Interior Ministry forces in Chechnya standing guard over captives near Grozny.

## Ex-Agent Loses Suit Against FBI

The Associated Press

WASHINGTON — A former FBI agent who says he was dismissed in retaliation for successfully suing the agency over its discrimination against Hispanics lost a Supreme Court appeal Monday.

The justices, without comment, refused to reinstate Fernando Mata's lawsuit against the Federal Bureau of Investigation, where he worked for nearly 20 years.

Lower courts said they lacked the authority to handle Mr. Mata's suit because it would involve reviewing government action taken for "national security" reasons.

Mr. Mata was part of a 1987 class-action lawsuit against the FBI by Hispanic agents, who alleged various forms of on-the-job bias.

A federal judge ruled that the FBI had violated federal law and set up a panel to determine the suit who had been a victim of discrimination.

Before Mr. Mata's case was heard by the panel, the FBI notified him that he was the target of an internal investigation. He was told the agency had received information that while he was based in Miami he had disclosed classified information to representatives of the Cuban government.

Mr. Mata did not deny disclosing some classified materials, but said his actions had been taken in an effort to recruit an informant.

The agency first stripped Mr. Mata of his top-secret security clearance, and in September of 1991 fired him — 11 months before he could have retired with full benefits.

Mr. Mata sued, contending that his firing was retaliatory. But a federal trial judge and the 5th U.S. Circuit Court of Appeals ruled that they could not review "executive security clearance decisions."

In another ruling, the court agreed to review a federal law that requires small shares of Indian reservation land owned by individual tribe members to revert to the tribe when the owner dies.

The court said it will hear the Justice Department's argument that the government had the authority to change the way land allotted to Indians long ago is handed down to future generations.

Between 1887 and 1934, much of the land on Indian reservations was divided into tracts and allotted to individual tribe members. As the land passed from one generation to another, large numbers of people began inheriting smaller and smaller shares of individual tracts.

In 1983, Congress enacted the Indian Land Consolidation Act requiring many of the tiniest fractions of ownership to revert to the tribe on the owner's death. The Supreme Court later ruled the law violated the Constitution's ban on government takings of private property without fair payment.

## Bahrain Foils Coup Plot and Accuses Iran

Compiled by Our Staff From Dispatches

MANAMA, Bahrain — Bahrain accused Iran on Monday of trying to overthrow the ruling al Khalifa family, and said 29 militants were under arrest in connection with a foiled coup plot.

It said it was recalling its ambassador to Tehran and downgrading diplomatic representation.

"A serious conspiracy has been uncovered which reveals that an organization known as the military wing of Hezbollah-Bahrain, together with Iranian authorities, have been plotting since early 1993 to undermine Bahrain's security and stability," an Interior Ministry statement said.

It was the first direct accusation of Iranian involvement in the mainly Shiite Muslim-led anti-government unrest that erupted in the island state in December 1994. Iran has denied any role.

"The movement's main aim is to stage an armed revolution to overthrow the Bahrain government by force and replace it with a pro-Iranian regime," the statement added.

Bahrain shared information on the plot with its Gulf Arab allies, who issued a statement accusing Iran of interfering in Manama's internal affairs.

Information Minister Mohammed al Muttawa said the plotters wanted to install a Shiite Muslim government modeled after Iran's. A slight majority of Bahrain's 500,000 people are Shiites. Most of the other residents of the Gulf island are Sunni Muslims.

The minister did not disclose when the arrests took place, but said the detainees confessed last month and detailed their links to Iran. He said some of those arrested — all are Bahrainis — were detained as they tried to return to the country. Others were rounded up in Bahrain, he said.

Twenty-eight people have been reported killed in the unrest since 1994. (AP, Reuters)

## Bomb Explodes in Paris

### No One Is Hurt in Attack Near Travel Agency

Compiled by Our Staff From Dispatches

PARIS — A pressure-cooker packed with gunpowder exploded in a parked car outside an Irish travel agency here early Monday.

No one was wounded in the car bomb attack, and no one claimed responsibility for the explosion.

The bomb went off shortly after midnight in a commercial area of the 5th district on the Left Bank, the police said.

It shattered windows of about a dozen apartments in the building housing the USIT travel agency.

Police said it was unclear whether there was a connection between the blast and the travel agency, because of its Irish links.

The Irish Republican Army has staged

numerous such attacks in its fight against British rule in Northern Ireland.

Justice sources said the case was handed to Paris anti-terrorism investigating magistrates "as a precaution, given the nature of the explosion."

Last summer, France was hit by a wave of bombings that killed eight people and wounded 160 others, including several tourists.

The militant Armed Islamic Group, which is trying to topple the Algerian government and install strict Islamic rule, claimed responsibility for some of those attacks.

Investigators said that, unlike the bombs set off last year by the militant Muslim group, the pressure-cooker in Monday's car bomb contained no nails or screws. (AP, Reuters)

## Pilar Lorengar, Leading Diva, Dies

The Associated Press

BERLIN — Pilar Lorengar, 68, a Spanish-born diva who performed in opera houses around the world, died Sunday, the Deutsche Oper in Berlin said Monday.

The lyric soprano died after an undisclosed "serious illness," said Deutsche Oper, the opera company to which she belonged for more than 30 years until her retirement in 1991.

Miss Lorengar was known for her fine voice and a warm stage presence.

She made guest appearances at the Metropolitan Opera in New York, in San Francisco, in Japan, and in all the

important opera houses of Europe.

Miss Lorengar was mainly associated with Mozart's operas and, later in her career, with Italian roles.

She was also an exponent of a Spanish style of operetta that incorporates traditional Spanish material along with spoken dialogue and is often of a comic nature.

Miss Lorengar moved to Berlin in 1958. Her name is inextricably linked with the city's Deutsche Oper opera company.

"Berlin became her artistic home," the Berliner Morgenpost newspaper said in its obituary on Monday. "Opera

lovers of Berlin will never forget her."

Ishmael Bernal, Filipino Director

MANILA (AP) — Ishmael Bernal, 58, a leading Filipino movie director who struggled against censorship with films about social problems and politics, died Sunday of a heart attack.

Mr. Bernal's career as a director began in the early 1970s after he studied filmmaking at a school in Poona, India. His 60 movies often portrayed social, economic and political injustice and contrasted sharply with the

escapist action films that predominate in cinema in the Philippines.

Jean-Pierre Hutin, A 'Dog's Best Friend'

PARIS (AP) — Jean-Pierre Hutin, 64, a French television personality whose love for animals earned him the reputation as a dog's best friend, died Saturday in Paris.

He became a household name in France for the popular TV program he hosted, "30 Million Friends," a reference to the vast numbers of dogs and cats by pet-passionate French families.

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## INTERNATIONAL

## New Look for NATO: A Balance of Strategic Aims

By Joseph Fitchett  
International Herald Tribune

PARIS — The critical trade-off that opened the way to NATO's radical reorganization involved the job descriptions of some senior European officers in the alliance, including French officers who will assume slots for the first time in 30 years.

While primarily NATO officers, they will be also designated, even in peacetime, as commanders of any all-European operation launched by the alliance. But this new assignment is confined to missions run by the Western European Union, leaving no room to develop a separate European army.

Careful drafting satisfied, on essentials, the demands by France —

backed by Germany and Britain — for Europe to gain its own identity inside NATO, but it also met U.S. armed services' insistence that Europe's ambitions focus on real military problems.

It is a subtle distinction, perhaps, largely a matter of perceptions on opposite sides of the Atlantic since European governments all seem

eager to avoid doing anything liable to accelerate U.S. military disengagement from Europe. As the U.S. secretary of state, Warren M. Christopher, noted Monday, there is no certainty that Europe will ever decide to act on its own, even with NATO's blessing.

But the technical arrangement

giving political visibility to the WEU, Europe's defense organization, was crucial in guaranteeing that French leaders felt ready to continue on the path to complete reintegration with NATO. Now Paris and other European capitals can describe the alliance as responsive to Europeans' hopes for clout.

At the same time, it reassures the U.S. armed services, protective of their control in NATO, that the European Community is not built up as a separate command or political caucus inside the alliance.

Trans-Atlantic tensions focused on European demands for NATO to spell out the broad U.S. commitment to help the WEU, albeit with a veto, and earmark the European positions to run a handover. Instead, Washington wanted to start

with contingency plans, which would be activated if and when European allies wanted to act.

As a participant explained, "The Europeans wanted to get involved in WEU planning so that they could bury the idea, but the Americans were scared that the Europeans were trying to set up something political that could get in the way of effective military planning by NATO."

The hard-won compromise — "We spent 28 hours out of the last 48 working on it," a participant said — enabled all sides, especially Washington and Paris, to hail a radical departure enabling European countries to use NATO facilities, including U.S. heavy armaments, to cope with future crises without U.S. ground troops.

Hopefully, officials said, this could avoid a repetition of the frustrations and recriminations that strained trans-Atlantic relations over Bosnia.

Describing it as "the alliance's most significant modernization," Robert Hunter, the U.S. ambassador to NATO, said that the Europeans "can now assume more responsibility, which helps us maintain U.S. support for the alliance that we all need for global stability."

President Jacques Chirac of France hailed the changes, saying that they vindicated his decision last December — which got little fanfare in Paris at the time — to put French troops back under NATO command for the allied intervention in Bosnia. That operation was a prototype for NATO's new look.

## Netanyahu Vows To Talk With Arabs

## Palestinians Fight Israeli Troops

By John Lancaster  
Washington Post Service

JERUSALEM — Prime Minister-elect Benjamin Netanyahu said Monday that he would meet soon with the leaders of Jordan and Egypt, continuing his efforts to soothe fears in the Arab world and the West that his victory poses a threat to the peace process in the Middle East.

Addressing his conservative Likud party faction in Parliament, Mr. Netanyahu said that President Hosni Mubarak and King Hussein had agreed to meet with him "as soon as possible" once he forms his new government around the middle of this month.

"The Arab states, not to speak of the Western states, understand that the public in Israel determined that there will be a continuation of the peace process based on our policy, and people accept that," Mr. Netanyahu said.

The Arab world remained skeptical. In Cairo, Mr. Mubarak said Mr. Netanyahu's victory speech "did not inspire confidence." Mr. Mubarak spoke after meeting with the Syrian president, Hafez Assad, who concurred with that assessment.

Closer to home, rock-throwing Palestinians clashed with Israeli troops in the West Bank city of Hebron, where fears are growing among residents that Mr. Netanyahu will not withdraw occupying Israeli forces, as had been promised by the Labor Party government of Prime Minister Shimon Peres.

Also in the West Bank, four Israeli telephone workers were slightly wounded by a bomb when they entered an olive grove to fix a telephone line. It was first attack on Israelis since Mr. Netanyahu's victory last week.

After a campaign in which he sharply criticized Mr. Peres for pursuing territorial compromises with the Arabs that he said threatened Israel's security, Mr. Netanyahu struck a moderate tone in his victory speech, calling on Arab states to join Israel "in the circle of peace."

But while he mentioned Jordan and Egypt, with which Israel already has signed peace treaties, he said nothing about Syria and Lebanon, both of which border Israel and remain in confrontation with it. Nor did he make any reference to the Palestine Liberation Organization, referring only to "the Palestinians."

"Unfortunately, he still uses the language 'Palestinians' and forgets the political reality that the outgoing government recognized the PLO as the official representative of the Palestinian people and signed an agreement with it," Hassan Asfor, a member of the PLO negotiating team, told the newspaper Ma'ariv.

Although Mr. Netanyahu did not commit himself during his campaign to meeting with the PLO leader, Yasser Arafat, he said that his political advisor, Dore Gold, had spoken with Mr. Arafat's chief negotiator, Abu Mazen. Mr. Netanyahu also sought to reassure the Clinton administration, which showed its support for Mr. Peres during the election, that his narrow victory would not derail the peace process.

■ **No Job for Sharon**  
Mr. Netanyahu will exclude Ariel Sharon, a former defense minister and right-wing hard-liner, from any key cabinet posts, Israel television reported Monday, according to Agence France Presse. Mr. Sharon was known to be pushing for appointment as finance minister if Likud won.

Two key portfolios — foreign affairs and defense — will go to other right-wing leaders, said the report.

Former Foreign Minister David Levy will return to that job, while defense is likely to go to a former general, Yitzhak Mordechai, who left the reserves several months ago.

## CONFERENCE: In a Collapsing Istanbul, the UN Meets to Discuss the World's Urban Landscape

Continued from Page 1

laborers do almost all the work by hand.

The problem is that the city began the work in mid-April, barely six weeks before the conference began. There is no city officials acknowledge, that the work will be finished in time. Indeed, workers were still swarming around Habitat's convention center last Friday, trying at least to pave that area. Piles of red bricks blocked a view of the Bosphorus Strait. A batch of ornamental cannons occupied a parking lot.

Another bone of contention involves the city's de-

termination to dig up the streets instead of dealing with more pressing needs. In Ms. Goktas's neighborhood alone, for example, 450 buildings are in danger of collapsing, according to Nusret Bayraktar, the district chairman.

"We warned people to clear out of the area when the building began to sag, but nobody listened," Mr. Bayraktar said.

Ms. Goktas asked, "Are paving stones more important than our lives?" She worries that her two children could be swallowed up by the gaping chasm fracturing her home.

Istanbul has other prob-

lems that make it a poignant if not ironic site for a world conference dedicated, its organizers say, to "making the world's human settlements safe, equitable and sustainable for people."

For one, Istanbul is the last major metropolis on the European continent without a sewage treatment plant, although under Roman rule the city had one of the most advanced sewage systems of its time.

Istanbul's air, especially in winter when coal-fired stoves belch out a noxious cocktail of hydrocarbons and sulfur, is among the worst in the world. Huge swaths of the city have

no electrical or water service. An increasingly powerful Islamic political organization, the Welfare Party, has gained support in Istanbul's ghettos by offering water and power hookups in exchange for votes.

"Istanbul is a living laboratory for all the urban ills in the world," said a conference organizer.

Many average citizens here have taken issue with the way the city has prepared for the conference, arguing that, like many programs designed to improve urban life, this beautification effort does not get beneath the surface.

For instance, besides rip-

ping up Istanbul's sidewalks, Istanbul's municipal authorities opened another campaign that earned them the derision of city residents. Starting in April, local authorities began poisoning thousands of cats, dogs and sea gulls, strewing the streets with poisoned meat in an effort to clean up the streets before Habitat began.

Turkish newspapers carried photographs of dead dogs and sea gulls — which ply the once fecund waters of the Sea of Marmara and the Bosphorus. Emel Yildiz, an animal-rights activist, said he plans to sell T-shirts at the conference reading, "Our animals were killed for you."

Partly because of the bad publicity and partly because UN staff members and Turkish organizers have had trouble coordinating their efforts — UN officials in charge of the conference arrived just a few weeks ago — the number of people expected to take part in the conference has been revised downward from 25,000 to 11,000.

The U.S. delegation, scheduled to be led by the secretary of Housing and Urban Development, Henry Cisneros, recently canceled hotel reservations worth about \$60,000.

## DUKAKIS: The Professor Remembers a Harsh Lesson Learned

Continued from Page 1

fatal flaw of his presidential campaign, one that marked him as the classic slow-response approach that Bill Clinton's team learned never to emulate.

"Talk to Mario Cuomo and he'll tell you the worst advice he ever gave me was to ignore all those charges," Mr. Dukakis said, smiling ruefully but taking full responsibility for his oblique approach to the attacks. "I agreed with him. People aren't going to buy that stuff."

"Too bad I had to be the guinea pig," he said, adding that at least he left the lesson: that no Democratic candidate

should ever again run without having at the ready not just a fast response, but a fully thought out counterpunch strategy for each accusation.

It is Mr. Dukakis's comfort to see the Clinton White House at such a point of swift-response readiness that critics have begun analyzing this in a tone of resentment, as if it were a nefarious new tactic.

"I saw President Clinton," he noted of a recent White House visit. "Very interesting. He said, 'You know this job is a hell of a lot of fun!' Yeah, and I believe him. It didn't surprise me."

"I know this guy. He's the most re-

silient and tenacious guy I've ever met in this business. You can knock him down 100 times and he gets up with a smile on his face and just keeps coming at you."

In open envy, Mr. Dukakis said this talent would not fail Mr. Clinton through Whitewater and all the other issues to come.

What the professor craves to hear discussed at length in the campaign are the doubts and problems of the middle class. But the old candidate expects crime, patriotism and race not to catch the president short. "I must say when I saw him I had a sense he was fully engaged in what he's doing."

## Friend of Mitterrand's Is Charged In Elf-Aquitaine Property Deal

Agence France-Presse

PARIS — Laurent Raillard, a friend of the late French president, François Mitterrand, has been charged with fraud, the newspaper Le Monde reported Monday.

Mr. Raillard, who was Mr. Mitterrand's personal doctor before he became president in 1981, sold a property at Louveciennes, west of Paris, to the petroleum group Elf-Aquitaine for 18 million

francs (\$3.6 million dollars) in 1991, the report said. Judicial officials said Mr. Raillard has been charged with abuse of corporate assets.

On Thursday, Jean-François Pages, former director of Elf-Aquitaine's property holdings, was indicted for misuse of corporate assets for ordering the purchase of the Louveciennes property at an above-market price.

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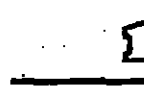
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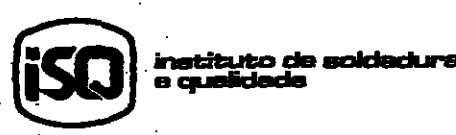
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THE WORLD'S DAILY NEWSPAPER

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## EDITORIALS/OPINION

## Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Communist Economics

The failure of Soviet economic policy was so staggering that it is hard to believe anyone would seriously suggest trying it again. But that is just what the Russian Communist Party proposes. With a few concessions to the changed nature of the Russian economy, the Communists would essentially roll back history and reinstitute the kind of command system that left the Soviet Union in a stupor.

After five years of badly managed economic reform, many Russians would welcome some relief from the vicissitudes of a free market. They are angered by new economic inequities, including the windfall fortunes some have made through the government's corrupt privatization program. Elderly citizens especially miss the stable prices, reliable pensions and subsidized housing of the Communist era.

But the answer to these problems is a more honest government, more generous social welfare programs and a better regulated market economy, not the revival of a state-controlled economy. Despite the uneven introduction of economic reform, the Russian economy seems finally to be stabilizing, even beginning to grow. It would be a cruel mistake to dismantle Russia's imperfect but vigorous free market just as it seems ready to deliver real benefits to millions of Russians.

The Communist economic plan unveiled last week asserts the need for government to take back control of production, wages and prices and turn away foreign imports and investors. It would prop up production by showing subsidies on steel factories and other shuttered remnants of the Soviet military-industrial complex.

The program promises to suppress

energy prices, repeating a catastrophic Soviet policy that squandered precious natural resources, sacrificed desperately needed revenue and promoted environmental degradation. The Communists would make huge infrastructure investments and cut taxes, while limiting inflation through the tight control of money creation. All this defies the ordinary laws of economic stability.

The vacuity of the program may be captured best by its assertion of projected growth rates for various sectors of the economy years into the next century. Even the Soviet economic alchemists, with the resources of a superpower at their disposal, could not predict sensible numbers.

The economic advisers to Gennadi Zyuganov, the Communist presidential candidate, insist he will not turn back the clock. The advisers say, for example, that a Communist government would not nationalize all the property put into private hands since 1991. That is uncertain. A preliminary draft of the economic program promised wholesale renationalization. It was disowned only after negative public reaction.

The Soviet Union tried to run a large economy by government edict, and failed disastrously. Mr. Zyuganov's program would replicate the error. It seems blind to the possibility that government can use regulations and taxes to provide individuals with the incentives to make socially constructive decisions, instead of making all the decisions for them. Though the opening and closing sections of the new Communist economic manifesto pay respect to the principles of democracy, individual rights and private property, the program it outlines would erase all three.

—THE NEW YORK TIMES.

## Debate Fed Choices

If the Senate has some time to kill when it reconvenes this week, we have a suggestion. It could debate and vote on the president's choices to complete the Federal Reserve Board. They have been held up too long.

It was in February that President Bill Clinton announced his intention to nominate Alan Greenspan to another term as chairman of the seven-member panel. Alice Rivlin to be vice chairman and the economist Laurence Meyer to fill a vacancy. The paperwork went up a few weeks later, the Banking Committee held a hearing March 26 and sent the nominations to the floor the next day. They've languished since because of opposition from, not the majority Republicans, but a handful of discomfited Democrats led by Iowa's Tom Harkin.

The opponents think that, in its zeal to suppress inflation, the Fed in recent years has kept the U.S. economy from growing as rapidly as it safely could. The slower growth has cost the country income and jobs; so they believe, and in part they blame Mr. Greenspan. It's the ancient argument: Which is the greater danger, the risk of renewed inflation or the consequences of economic slack? Senator Harkin and the

others on his side believe the latter and want to use the debate on the nominations as a consciousness-raising session. The argument has had to do with how much time they'll be given, but surely that can be worked out. They ought to get it done.

Our own sense has been that the Fed has done a pretty good job of late of steering between the risks of inflation and slack; the inflation and unemployment rates are both fairly low. Its maneuvering room in this regard has also been constrained by Congress itself. The country has had a wide-open fiscal policy in recent years; the deficit is its emblem. The Fed has had little choice but to offset it. The pro-growth types in both parties complain about a policy of constraint that they themselves have helped to force.

Sure, the Senate ought to debate these issues. They're a lot more important than much of what it does debate. But it ought not hold these nominations hostage in the process. The president has chosen well. The nominees are qualified. The senators can talk all they want, and they usually do. But it's time now to vote as well.

—THE WASHINGTON POST.

## Technology and Privacy

The law of search and seizure becomes more complicated, and infinitely more interesting, with the advance of technology. When the Fourth Amendment was adopted, drafters were concerned with protecting the "right of the people to be secure in their persons, houses, papers and effects." So warrants are required before a search can be undertaken, and probable cause must be demonstrated before a warrant will be issued.

Because the constitution doesn't mention automobiles, interstate buses, wiretaps or tiny listening devices, the rules governing these instruments have been shaped gradually over time by the courts. And each new technological advance that might impinge on privacy has to be evaluated as it comes along.

Last week the Supreme Court refused to review a ruling of the 11th Circuit Court of Appeals involving just such a new device. Alabama state police believed that a certain house in Tuskegee was being used for growing and processing large amounts of marijuana. They flew a helicopter over the neighborhood and, using a heat-detecting device called a Forward Looking Infrared Receiver, determined that the house in question was emitting far more heat than its neighbors. The residents were apparently using powerful high-pressure sodium lights to cultivate the plants. With this and other

information, the police had no trouble demonstrating probable cause to a magistrate and getting a warrant.

When the house was searched, the illegal activity was uncovered and the defendant convicted and sent to prison for more than 10 years. The Supreme Court's action denying further appeal settles the Fourth Amendment question in the 11th Circuit, and three other circuits have issued similar rulings that have not yet been challenged.

Fourth Amendment cases usually involve a discussion of a defendant's expectation of privacy, as this one did. Here the court found that the grower did not have a reasonable expectation of privacy in the heat generated by his indoor cultivation of marijuana. If some 21st-century wizard invents spectacles that enable the police to see through walls and doors and into locked closets, the courts probably will find that the people whose homes were searched in this manner have a reasonable expectation and that a warrant is required.

That case may seem far-fetched, but one thing is sure: Technology will enable the government to obtain more and more information about citizens, to use in criminal cases and otherwise, and the courts have their work cut out for them in distinguishing between the public interest and the individual's right to privacy.

—THE WASHINGTON POST.

## U.S. Lets Bosnian Serbs Get Away With Murder

By Anthony Lewis

BOSTON — Suppose that at the end of World War II Heinrich Himmler and Adolf Eichmann had remained in control of a large zone of Germany. They were supposed to be removed and tried for war crimes. But the United States and its allies decided to hold all German elections while the Nazis still ruled the zone, suppressing and murdering opponents.

The idea seems monstrous. But something very much like it has been embraced by the Clinton administration in Bosnia. It is pressing to go ahead with an all-Bosnia election in September even though 49 percent of the country is still ruled by the two worst murderers in Europe since the Nazis, the indicted Serbian war criminals Radovan Karadzic and Ratko Mladic.

Under the Dayton accords on Bosnia, the election is supposed to be held only if conditions exist for a free and fair vote. No one even remotely dispassionate can pretend that that is the situation in the "Serbian Republic."

The Organization for Security and Cooperation in Europe is to decide whether the test of fairness has been met. Its own officials, in reports disclosed by Chris Hedges of The New

York Times, told the OSCE that the Karadzic-Mladic regime was committing widespread abuses of human rights, using violence against internal opponents and outside monitors.

Those reports mirror what correspondents have described in recent weeks. Gangs organized by the Bosnian Serb leadership prevent Muslims driven out by "ethnic cleansing" from returning to their homes, as supposedly guaranteed at Dayton. Bosnian Serb officials who want to comply with the Dayton provisions are removed from office and sent death threats.

Many Serbs are weary of the racist nationalism preached by Mr. Karadzic and want to rejoin the world, but they are being given no chance to organize politically. The regime also tightly controls the press and broadcasting.

The solution to all this was agreed on at Dayton: the arrest of Mr. Karadzic and General Mladic for trial before the war crimes tribunal in The Hague. But despite a lot of talk by the United States, the prospect of carrying out that essential step seems more remote than ever.

The Clinton administration has been counting on President Slobodan Milosevic of Serbia to remove Mr. Karadzic and General Mladic from office. That always seemed a faint hope. And just now, at a Geneva meeting of the Dayton participants, Mr. Milosevic treated the American request with hardly disguised contempt. Secretary of State Warren Christopher mentioned the possibility of reimposing sanctions on the rump Yugoslavia, but there was no sign of that actually happening.

Washington wants the OSCE official who must make the decision, Robert Frowick, a former U.S. ambassador, to certify that a fair election can be held. The reason is hardly obscure. President Bill Clinton and his aides believe that it will look better for him in the election campaign if the Dayton plan is proceeding as scheduled — and that therefore the international force, including 20,000 American troops, can wind up its job by the end of the year.

I think that is political nonsense. How can it be good for President Clinton to have everyone see the Dayton accords, his proud foreign-policy achievement, as a transparent fraud? That is what Dayton will be if Mr.

Frowick solemnly declares that night is day. It will be just as much a fraud whether Mr. Karadzic is in office or purports to retire but rules from behind a front of his roadies and thugs.

Dayton, for those of us who believed in it, pointed toward a gradual reuniting of Bosnia. The crucial provisions were freedom of movement, fair countrywide elections and the arrest of war criminals. If those aims are put aside, Dayton will look more and more like a way of legitimizing ethnic division — and its murderous perpetrators.

NATO will be a big loser, too, if the United States and its partners proceed with a spineless policy. It went into Bosnia determined not to be pushed around as the United Nations force there had been. Now, despite its overwhelming military power on the scene, it looks weak and fearful.

If Dayton keeps unraveling, people are going to begin thinking that the United States should not, after all, have stopped the Bosnian and Croat forces, calling for a negotiated end instead. Maybe they should have been allowed to push on for unconditional surrender of the aggressors.

The New York Times.

## Netanyahu and Israel Prepare to Start Out on a 'New Way'

By William Safire

WASHINGTON — "What a landslide!" What a landslide! Benjamin Netanyahu, the Israeli candidate he worked so hard to defeat.

Though the "landslide" joshing was intended as ironic, in one sense it was true: Among Jewish Israelis, Bibi (the short nickname, like Ike, will stick because headline writers need it) scored a decisive 55 percent victory.

President Clinton assured the newly elected prime minister that he had read his recent book, "Fighting Terrorism," and was recommending it to all his friends. To get right with the Jewish right, he invited the Israeli to Washington this month and Mr. Netanyahu accepted; we can expect the Israeli to dine with Bob Dole and congressional Republicans as well.

To cheering fans Sunday night, Bibi struck the right note, declaring that "peace must begin at home"; assuring non-Jewish citizens that he

would be "prime minister of all the people" (a paraphrase of James Polk's 1845 Inaugural), and extending a hand toward Arab states and Palestinians. And with "the battle is behind us," he wouldn't let partisans shout down his gracious salute to Shimon Peres.

But the Likud leader was not elected to run the country from dead center, or as Mr. Peres with a sterner face or as Menachem Begin with TV skills. Mr. Netanyahu spoke of a "new way." He will spell out that theme in his acceptance speech to the Knesset, but here are what I believe are its outlines:

1. A new way of governing. As the first prime minister elected not by the Parliament but directly by the voters, Mr. Netanyahu has the political mandate and executive freedom of action never before possessed by an Israeli leader — at a time when the Knesset has become

both more representative and more coalescent.

Some faces will be familiar: Moshe Arens, Bibi's principled mentor, will be the second most important figure in Israel. Others will come from outside the system: Connecticut-born Dore Gold, 42, who emigrated to Israel 18 years ago, is the new prime minister's foreign-policy alter ego and may set up a national security council staff to coordinate bureaucratic fiefdoms. Don't expect a major crossover as in the days of Moshe Dayan.

2. A new way of securing a peace. With Syria, the old way — offering Hafez Assad the Golan in return for a treaty and restrictions on military deployment — is a nonstarter. Mr. Netanyahu is developing an approach to offer Mr. Assad security without Israel's departure from the heights. Combined deterrence and negotiation re-

quires patience, as the United States learned with the Soviets, but time is not on Syria's side.

Jordan's king welcomed Bibi's win because it means Jerusalem stays undivided under Israeli sovereignty, with control of Islamic sites in Jordan's hands. Reality must lower Palestinian expectations of immediate statehood, but self-governing Palestinian enclaves, accompanied by economic incentives, could co-exist protectively with Israel's protected settlements — if the will can be found to join in overcoming terrorism. And figure Mr. Netanyahu to come up with a surprise on the peace front.

3. A new way to close the gap between rich and poor. The only time he said "Listen well!" Sunday night was when he pledged emphasis on a free-market economy. I know it's what all new leaders say about Israel's system now bartered with socialism, but if this one means it, freed enterprise could,

as he believes, "loose the genius" of Israel. Combined with requirements for equal opportunity in education and hiring, capitalism offers a new way to prosperity for Israel and out of poverty elsewhere in the Middle East.

The newly elected leader is surrounded by what he calls "civilians," a combination of Yiddish and English meaning "offerers of advice." The elites to Bibi from this corner: Accept unpopularity in your first year. By keeping your campaign promises, you'll get bad press but make good history.

A personal word. For 20 years, the policies of Shimon Peres have been criticized in this space, but not once did he refuse me an interview or duck a difficult question. He's a consistent loser of elections, but a genuine political pro. (Now that the job of secretary-general of the UN is coming up for grabs, how about an Israeli dove?)

The New York Times.

## Revised Agreement Is No Victory in War Against Land Mines

By Iain Guest

WASHINGTON — When a land mine rips off a human limb, it does not ask whether its victim was keeping the peace or making war. Mines have so far killed or wounded 51 NATO peacekeepers in Bosnia, including four Americans.

Today, when soldiers are as likely to be engaged in humanitarian tasks as in combat duty, the land mine is no friend of the military. This makes it surprising that the U.S. Joint Chiefs of Staff are fighting a tough rear-guard defense of the weapon — and appear to be winning.

They argue for the unrestricted use of mines along sensitive borders where U.S. troops are on patrol, such as that between North and South Korea. They also oppose any commitment to a timetable for phasing out the use and production of anti-personnel land mines as a whole.

This, in essence, was the policy unveiled by President Bill Clinton last month. American opponents of the land mine were outraged. By treating mines as valued military allies instead of committing itself to a ban, the United States has turned its back on 39 governments that include such U.S. allies as Canada and Germany, and lined up with China and Russia. It is also snubbing a remarkable international grassroots campaign that has supporters in more than 40 countries.

This campaign has been so successful that the image of an impulsive now evokes the same revulsion and anger once reserved for those of Hiroshima victims or soldiers blinded by

mustard gas in World War I. The goal is simple: to put land mines on that select list of weapons, with the nuclear bomb and chemical arms, that are so indiscriminate and uncontrollable that the only solution is their total elimination.

The campaign suffered a reverse recently in Geneva when governments agreed to revise a 1980 protocol on land mines. At first sight, the new text is an improvement over the reigning 110 million mines being stashed around the world. The new protocol requires that all remotely delivered anti-personnel mines be built to self-destruct or self-deactivate within a maximum of four months.

U.S. delegates fought hard for

the new protocol on the grounds that it would lower civilian casualties, but this is by no means guaranteed. Modern mine systems can distribute thousands of mines in minutes. The notion that a village that has been "blanketed" by mines is somehow "safer" because they may deactivate within four months is hard to take seriously.

There are other serious flaws in the new protocol. Governments have a decade in which to make the transition to these new "smart" mines, unacceptably long if they are sincere about wanting to save lives. The new treaty fudges the distinction between anti-personnel and anti-tank mines. It allows minefields that are laid under enemy fire to be unmarked. (This was inserted as a concession to Russian forces in Chechnya.)

Most serious, the new protocol contains no verification provisions. Apparently, we are expected to take war leaders like the Bosnian Serb Radko Mladic and the Liberian Charles Taylor on trust.

The acid test is whether governments will view this agreement as a minimum standard while they work toward a total ban on mines, or whether they will treat it as an invitation to increase mine production. So far the omens are not good.

Britain, for example, plans to convert its mine stocks to the new "self-destruct" variety but is not thought to have the technology. This could provide an opening for Valsella, an Italian subsidiary of Fiat that exported

millions of mines to Iraq in the 1980s until it was shamed into suspending production by some of its own trade unionists. It is reported that Valsella has held talks with potential British partners.

Why do soldiers insist on treating mines as trusted allies? Leaving aside the threat to peacekeepers, the military arguments for land mines are increasingly hard to justify. Allied tanks and planes blasted through Iraqi minefields in a matter of hours during Operation Desert Storm, and Norman Schwartzkopf was one of 15 retired U.S. generals who have argued that mines could be omitted from the U.S. arsenal without affecting the security of U.S. soldiers or their allies.

Military leaders should be asked to weigh the case against as well as for land mines. When this happened recently in Canada, a healthy debate ensued and resulted in a total Canadian ban on land mines.

Canada has invited the other 38 pro-ban countries to Ottawa next September. Interestingly, governments have been clamoring for an invitation. It is tragic and incomprehensible that the United States will not be there.

The writer is a senior fellow at the U.S. Institute of Peace in Washington and served as media coordinator for the International Campaign to Ban Land Mines at the recent Geneva meeting. He contributed this comment to the International Herald Tribune.

## Turned Off by Artwork On-Line

By Jed Perl

NEW YORK — Art addicts, computer nerds and anybody interested in art and technology took notice a couple of years ago when Bill Gates bought Leonardo da Vinci's Codex Leicester for \$30.8 million.

Now the American Museum of Natural History has announced that next fall it will exhibit the 72-page manuscript, which contains drawings on topics from hydrodynamics to astronomy, along with interactive computer displays designed to decode Leonardo's mirror writing and scientific ideas.

At a time when works of art are turning up on home computer screens just as fast as computer screens are turning up in museums, there's some mad logic to the Microsoft czar's eagerness to snare the last privately owned manuscript by the most technologically savvy aesthete that the world has ever known.

Although the Codex Leicester isn't exactly a work of art, it's fair to point out that there is an emerging art-and-computers gestalt, and that masterpieces are becoming hot currency in a worldwide information system.

Mr. Gates himself is busy acquiring electronic reproduction rights for his Corbis Corp., which has agreements with the National Gallery in London and many other institutions to provide distribution for works in their collections. With crowds turning museums into

pressure-cooker experiences, many people may wonder if they're not better off buying the CD-ROM and looking at Cézanne in the relative peace of their own homes. They better think again.

Inevitably optimists imagine that we're near achieving instant access to the masterpieces in the museums. But the difference between a work of art and a reproduction is absolute.

The computer screen, with its points of light, captures some of the feel of brilliantly colored paintings by Rubens or Monet, but it turns a Rembrandt into a black hole and the matte surface of a fresco into shiny plastic. There's an irreducible logic to reproducing paint on canvas with printer's ink on paper. The materiality of the original is respected.

Scholars are going to benefit from CD-ROM catalogues of the great collections. And the schoolkid who goes on-line may stumble on some art reproductions, feel an immediate attraction and head for the museums, where permanent installations, far less crowded than the special exhibits, are still the places to go.

Obviously, we all want the maximum amount of information to be available, but when technological considerations dominate, art is all too often regarded as a matter of edu-

cation rather than experience. You can teach people about Cézanne, but when they fall in love with his work, they do it on their own.

The National Gallery in Washington, which opened its Micro Gallery last fall, describes it as "the most comprehensive interactive, multimedia computer system in an American art museum." But almost no one gives any thought to what "interactive" means in the museum context.

The selling point is that the images will change whenever you touch the screen, but what does that say about looking at a painting, which simply hangs on a wall?

Masterpieces extend our imaginative reach. The artists dream up a universe, and we dream ourselves into it. In a sense we are reinventing the painting as we react.

There's no way computer programs are going to prepare you for this kind of experience because clicking on an icon has nothing to do with letting your mind zoom into a mysteriously interactive mood.

People's yearning for authenticity is part of what pushes museum attendance into the stratosphere. Nobody is ever going to pay \$30 million for a CD-ROM, and that would be true even if there were only one copy left.

The writer, art critic for The New Republic, contributed this comment to The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1896: Derby Results

LONDON — Persimmon yesterday [June 3] won the derby for the Prince of Wales by a short neck. There were men on the course who had witnessed every Derby for the last quarter of a century, but no one at Epsom Downs would deny that this Derby was the greatest in the memory of the present generation. It is possible that in the history of English racing no horse has ever galloped to the sort of popularity that awaited Persimmon's triumph, and the affection of the people for the Prince of Wales was never more profoundly demonstrated.

## 1921: Child on Trial

NEW YORK — The jury was unable to agree after an all-night deliberation on the case of Cecil Burkett, eleven years of age, charged with murdering his playmate, Benny Slavin.

seven years old, in a children's quarrel. The State contended that Burkett deliberately shot Slavin with a .22-caliber rifle. The defense argued that Burkett was on the other side of the house when Slavin accidentally shot himself. The judge instructed the jury to consider the crime as second-degree murder or manslaughter.

## 1946: Kalinin Dies

MOSCOW — Mikhail I. Kalinin, the "Peasant President" of the Soviet Union, died today [June 3]. Kalinin, 70, became interested in the revolutionary cause and was hunted by the police. When he was not in prison he was busy organizing the revolution. At least a dozen times he was arrested and finally was exiled to Siberia. He escaped and was on hand for the Russian uprising. He was chosen by Lenin to become titular head of the U.S.S.R.

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## OPINION/LETTERS

## One More Clinton Slip Into Stumblebum Mode

By David S. Broder

WASHINGTON — For Bill Clinton, hazard is a way of life. The chart of his political fortunes looks like the Rocky Mountains. Every time you think his goose is cooked, he finds some way to recover. Every time you think he has it made, he stumbles. Last week, he entered another stumblebum phase.

As David Marans pointed out in his biography of the president, "First in His Class," Mr. Clinton always has lived his life on the edge. He courts risks the way others collect stamps. He tries for more than the odds allow. When his lunge for a prize fails, he often falls flat on his face. When he succeeds, his momentum often carries him over the top into dangerous hubris. Rarely can he maintain a comfortable cruising speed. But he is remarkably adept at getting himself back on track after a crash.

Given the pattern of Mr. Clinton's life, it was utterly predictable that a period of highly favorable press clippings and landslide re-election polls would prelude another downhill run on the roller coaster. Now that is happening. An Arkansas jury verdict, an Israeli election, a gratuitously dumb legal brief and an arrogant campaign ad have combined to show once again that Mr. Clinton just can't stand prosperity.

In the autumn of 1991, he was crowned as the almost inevitable Democratic presidential nominee. Boom! Jennifer Flowers

and the draft-dodging stories hit, and by the end of January 1992 he seemed to be dead meat.

But he revived his fortunes in New Hampshire, broke through in Georgia and was seemingly on his way. Boom! Ross Perot emerged from nowhere and suddenly Mr. Clinton was running in third place, behind both Mr. Perot and President George Bush, in the pre-election polls.

Over the summer, he rebuilt his base, picked a popular running mate in Al Gore, and Mr. Perot retired (temporarily) at just the right moment to boost Mr. Clinton past Mr. Bush in the polls. While Mr. Bush floundered in Houston, the Clinton-Gore bus tours beguiled a jaded country and, despite Mr. Perot's re-entry, a plurality of voters decided to live dangerously with the Rover Boys.

The transition was a downer, but it was forgotten in an upbeat change-of-generations inaugural celebration that brought a dramatic rise in support for the incoming chief executive. Then boom! Zoe Baird, gays in the military and other fascioses of the first weeks in office had pundits writing, prematurely, of a failed presidency.

By the fall of 1993, Mr. Clinton managed to squeeze through his first budget. The North American Free Trade Agreement gave him a bipartisan victory and as the Christmas holidays approached, he seemed to be Santa's favorite child. Boom! Somalia turned bloody. The af-



termath of Vince Foster's suicide reopened the Whitewater saga. Paula Jones and the Arkansas state troopers popped up with their accusations of sexual misconduct. The health reform plan turned into a political disaster, and in 1994 the Republicans rode the backlash to a stunning midterm triumph.

In the first half of 1995, Mr. Clinton was pushed to the sidelines, vainly claiming his own "relevance." But the congressional Republicans misjudged their mandate and scared the voters, and Mr. Clinton began another revival. He outwitted his opponents in the end-of-the-year battle of the budget and escaped blame for government shutdowns.

By the end of the Republican primary slugfest in March, he was far ahead of his November opponent, Bob Dole. The next two months were such a rout that Mr. Dole decided Washington was not big enough for both of them and bolted from his Senate home.

Boom! Israeli voters rejected Mr. Clinton's partner in the peace process, and in Russia Boris Yeltsin's future seems clouded. In a Little Rock, Arkansas, court, Mr. Clinton's Whitewater partners and his successor as governor are convicted of looting a failed savings and loan, despite testimony Mr. Clinton gave on their behalf. Other trials and prosecutions loom. The character issue — Mr. Clinton's Achilles' heel — is back big-time. Mean-

while, he once again starts over-reaching. His lawyer in the Paula Jones case suggests that Mr. Clinton may be immunized against immediate prosecution under a law designed to protect active-duty military personnel. Veterans groups huff indignantly and the lawyer has to back off.

Simultaneously, Mr. Clinton's campaign accuses Mr. Dole of "quitting" on his Senate responsibilities — a stunningly unseemly choice of words for a man who walked away from his Vietnam-era promise to join the National Guard and from his 1990 campaign promise to Arkansas voters to serve out his four-year term.

Here we go again.

The Washington Post.

## No Shame in America, Home of the Brazen

By Richard Reeves

LOS ANGELES — Hollywood, the true arbiter of American values and the value of American lies, has decided that the celebrity liar Janet Cooke is worth \$1.6 million in the free market of confessional entertainment.

So she invented a resume at the beginning of the 1980s to get a job on The Washington Post and

## MEANWHILE

then rubbed a paper's nose in it by faking a story. Out an 8-year-old heroin addict — and won a Pulitzer Prize for the deception. So what? Out here, where producers bid against each other to tell her story, the only question is, why did she wait so long to cash in?

The answer, writes her designated biographer, Mike Sager of GQ, in the magazine's June issue, is that she was living in Paris for 10 years and was not familiar with the American "media confessional" — pleading guilty through extenuating circumstances. Tristar Pictures has committed the \$1.6 million for movie rights to her story.

In fact, out here, and not only in the entertainment business, the only thing that counts is getting caught. Did you hear the one about the director of Los Angeles County hospitals who is fighting dismissal because he got caught with his degrees down? He had neither the bachelor's nor the master's degree on his resume.

His name is Walter Gray and at various times over 33 years of working for the county he had claimed degrees from Los Angeles City College, the University of Phoenix, the University of Nebraska and the University of Southern California.

None of that was true, and finally he was dismissed last month by his immediate superior, the county health director, who wrote: "Your dishonesty undermines the credibility of the department in its interactions with the work force, other public agencies and the public at large."

In a civil service appeal, Mr. Gray contended that county knew or should have known he was lying, so it was the county's fault. Then, in papers filed for a lawsuit, he wrote that the county's attempt to fire him had resulted in "lost wages, pain, suffering, humili-

ation and emotional distress." I'm sure that's true. But Mr. Gray had a great ride and he is obviously not overwhelmed by shame about all this.

Where will all this end? It won't. Last month we heard about Representative Wes Cooley of Oregon, who claimed academic and military credentials and honors to win election — and who has been accused of helping his wife conceal their marriage so she could continue to receive government benefits.

Should all this be forgiven? After all, ambition, determination and confidence are the American way. We Americans are not

The wonder is that so few liars get caught and have to pay the price.

people who answer in the negative when someone asks whether we can do the job. We say "yes" first and ask questions later. And, face it, none of these folks would have gotten the job if they had told the truth.

Most of the rest of us have probably fudged a little on our way to where we've gotten — and, we hope, are doing a great job. Ms. Cooke, Mr. Gray and Mr. Cooley are exceptional because they had more nerve than the rest of us — and because they were caught.

As one of the Hollywood bidders for Ms. Cooke's story said, it's not as if she were a serial killer. Right. If she was, the bidding might have been higher. Mr. Gray does not seem to have killed anyone, either.

So maybe we should forgive them all. But they were not asked for forgiveness. Ms. Cooke asked for money, saying she has suffered enough. Mr. Gray wants an even better job — and he wants the people he fooled to apologize to him! Mr. Cooley wants to keep his job.

So it goes in the land of the free and the home of the brazen. The wonder is that so few liars get caught and have to pay the price in America. In Hollywood, of course, there is no penalty whatever.

Universal Press Syndicate.

## LETTERS TO THE EDITOR

## Bosnian Elections

Regarding "It's Too Early for a Bosnia-Wide Vote" (Opinion, May 27) by Morton I. Abramowitz:

I agree that the Bosnian elections should be postponed, not that Radovan Karadzic is not the only reason for doing so.

The elections have been precipitated by President Bill Clinton to suit his own electoral agenda. They have not been adequately prepared. There is no guarantee that they will be free and democratic in any part of Bosnia, and

this includes the Croat-Muslim federation.

The opposition parties have virtually no access to television and the other mass media. This is not a problem that is exclusively Serbian.

To reduce everything to the question of the Karadzic regime is to oversimplify and ignore the other very grave violations of basic civil rights in the Muslim-dominated Bosnian federation.

T. FORAN DE SAINT-BAR, Neuilly-sur-Seine, France.

## On 'Recolonization'

William Pfaff's persistence ("Trusteeship Is the Solution for Much of Africa," Opinion, May 25) is admirable but hopeless. The few African intellectuals who support the idea are political lightweight. There is no real support for recolonization inside or outside Africa, and no one would gain from it. Any such attempt would be violently resisted, even by those who have ongoing internal conflicts.

MWANYENGELA NGALI, London.

## Just Tell the Dog 'No'

Regarding "Chewing Over Dog Rights" (Meanwhile, May 30) by Daniel S. Greenburg:

Though often lovable and eager to please, dogs cannot divine our wishes or understand our language. Therefore, if they are to live with humans — especially in cities — they must, and can, beginning at three months, be taught human standards of acceptable behavior. The problem is that, like educating children, it takes work.

Whining and barking in public is irksome. Jumping up on people as a form of greeting — no matter how cute and cuddly the jumper — is rude. And running and playing in restaurants is annoying to most diners. Before the United States adopts the European model of allowing dogs to mingle freely with people in nearly every situation, an irritating minority of pet owners — especially dog owners of small dogs — will have to learn to just say no.

MARTIN AMADA, Roquebrune-sur-Argens, France.

## BOOKS

## ELECTRICITY

By Victoria Glendinning. 250 pages. \$22.95. Little, Brown.

Reviewed by Carolyn See

THIS is a Victorian novel, except that it's written in the present time. All the 19th-century customs are meticulously observed and recorded, all the appropriate clutter and paraphernalia neatly catalogued and put into place: the puffy sofas and escaroties, the privies and chamber pots, the obligatory reproduction of William Holman Hunt's painting of Christ standing in front of a door — a painting we never see now but that was ubiquitous then.

Everything in the London world of the 1880s is here: the health exhibits, the fireworks displays, the random explosions set off all through the city by Fenian dynamiters. The book is swell, and is told for our pleasure and edification by a heroine with a 20th-century mind and heart and sensibility, so that, for instance, when a small Victorian family gathers companion-

ably in the parlor after dinner, reading by lamplight, the ladies at their needlework, the gentlemen with their cigars, and the head of the family gets up with a sigh and a grunt, the whole family knows, with an unspoken sigh or shiver, that he's going out through the kitchen to the backyard privy. Only far later in the book will they learn that he's taken a few stolen moments in the kitchen to manhandle the maid and get her into serious "trouble."

This is indeed modern London (except that it's the year 1883). When young Charlotte Mortimer, just having finished her studies at a young ladies' school, sits primly in her parents' home waiting for something to happen, she's already keenly aware that her choices are few: She can remain a spinster and amount to nothing in the society, or she can marry and end up a ghostly, discredited wraith like her mother. On the other hand, London itself is bursting with changes and excitement, and when a

young man moves in to board with the family, Charlotte's life is transformed.

The gangly, obsessed young lodger, Peter Fisher, is an expert on electricity, the mad, bright, frightening new energy that just now seems as if it might galvanize — so to say — modern life.

Peter Fisher has already been galvanized. He can't look at a street or a house or a public display without knowing it with electricity in his mind. He lectures Charlotte incessantly and monomaniacally on the subject. Then, when their arses accidentally brush together, they both experience electricity of another kind. Soon they are engaged.

Something about this novel is reminiscent of Laura Ingalls Wilder's "Little House" books: The author spends pages on the organization of a bridal trousseau and all the possible items of female dress, all the embroidered pouches and purses and boxes and bags that Victorians insisted upon to hold their scraps and buttons and

corsets and even their hair-combs thrifflily saved to make rats and chignons. Also, all the embarrassment and hassle of having to deal with the female menstrual cycle are here painstakingly examined. This is how women got married just 110 years ago, the author reminds us. Unless you were very rich and could afford plenty of servants, you could look forward to a lifetime of scrubbing and sewing and cooking and washing and scrubbing — and the near-death experience of childbirth.

After this point is soundly made, the author allows Peter Fisher to obtain employment with a member of the elegant aristocracy, Lord Godwin of Hartfordshire, who lives in an imposing and beautiful country house. Godwin thinks it's time for the house to be wired for electricity, and the Fishers move into a guest cottage for a few months while the increasingly distraught young Fisher takes on this daunting task.

Charlotte is very much the heroine of a Victorian novel. She has her cherished bit of learning, no money at all, but luck and pluck to spare. In no time at all she's involved with the charming young lord, learning more surprises of the flesh, and finding out more about books, music, botany and good conversation. She's hovering between two social classes — too good for her husband, not good enough for her lover.

Events transpire that thrust Charlotte once again into London life, this time on her own. By now she's learned about another kind of "energy" — mesmerization, fortunetelling and seances. Here's a way a woman on her own might fairly earn a living something more fun, at least, than being a housemaid or a governess or a whore.

Is this last energy "real"? Charlotte considers the possibility, even as she practices the art. What is the energy that permeates our lives, connects us to other people and sometimes, on another level, lights up our houses or blows up our buildings? The author writes a marvelously engrossing novel about these questions, even as she gently suggests that right now, in our own time, we still haven't found the answers.

Carolyn See reviews books regularly for The Washington Post.

## CHESS

By Robert Byrne

VLADIMIR Kramnik beat Gata Kamsky in a blindfold game in the Melody Amber tournament in Monaco.

In the Sicilian Defense move order 2...Nc6 and 5...d6, Black has to be ready for the Richter-Rauzer Attack with 6 Bg5, which Kamsky is known to favor. But no matter, Kramnik likes to fight on what is to him a familiar terrain.

The 8...h6 variation breaks the pin of the black king early, relying on 9 Bh4?!! Ne4! 10 Qf4 Ng5 11 Nc6 bc 12 Qa4 Qb6 13 f4 Nh7 14 f5 Rb8 to cope with White's gambit.

After 9 Be3, Black has to avoid the positional trap 9...Ng4?!! 10 Nc6 bc 11 Be5! Bb7 12 h3 dc 13 Qd8 Rb8 14 Rb8 Kd8 15 hg, with clear endgame advantage to White in view of the broken-up black queenside pawns.

The point of the exchange with 15 Bf6 g7 was that after 16 Ne4, White would have a slight endgame advantage following the routine 16...Be7 17 Nd6 Bb6 18 Rd6. But Kramnik picked this critical moment to sacrifice a pawn for the initiative with 16...Bc6! 17 Nf6 Ke7.

After 17...Ke7, 18 Ng4 might have been the correct way of limiting the black attack. On Kamsky's alternative, 18 Nh5, Kramnik bore down strongly on the g file with 18...Rg8 19 f3 Rg5 20 Nf4 h5.

Kramnik broke open lines for invasion of the queen's wing with another pawn sacrifice, 36...b4! 37 ab ab 38 cb, and soon penetrated the white position with 41...Ra1. After Kramnik's 42...Ra2!, it did not matter what Kamsky did. Thus, 43 Kd1 loses to 43...Bd3 44 Bd3 Ra1, picking up a rook. On 43 Ke1, Kramnik forced a decisive gain of material with 43...Be3 44 Kb1 Rd2.

Kamsky continued until Kramnik's 50...Be5 left him two pieces down.

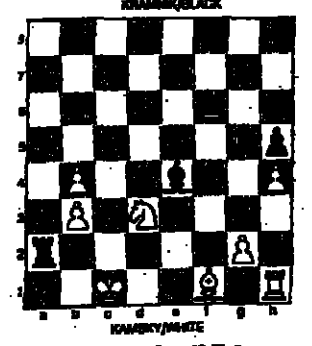
After 21 h4 Re5 22 Nc3 Bh6 23 Kb1 Re3 24 Re1 Rg8 25 Re3 Be3, Kamsky's plan of exchanging off a pair of rooks had not lightened the pressure on his position. It was still agonizingly difficult for him to finish his development.

Kamsky squirmed back and forth with 28 Rh3 and 31 Rh1. Meanwhile, he tried to get his king to help out on the kingside with 30 Ke2, but after 31...Bf5, threatening

32...Rd8 followed by breaking in on the second rank with 33...Rd2, he had to back off with 32 Kd1.

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Kamsky continued until Kramnik's 50...Be5 left him two pieces down.



Position after 49 Ke1

White	Black	White	Black
1. e4	1... e5	21. f3	21... g6
2. Nf3	2... Nf6	22. g4	22... h5
3. Bb5	3... a6	23. h4	23... Re5
4. Bxc6	4... b5	24. Re1	24... Rg8
5. Bxa7	5... Bc6	25. Re3	25... Be3
6. Bg5	6... Bb7	26. Bf6	26... g7
7. Bxf6	7... g7	27. Bg5	27... h6
8. Bxg7	8... Kxg7	28. Rh3	28... Rh6
9. Bc4	9... Bb7	29. Rh1	29... Be3
10. Qf4	10... Ng5	30. Ke2	30... Bf5
11. Nc6	11... bc	31. Bf5	31... Bg6
12. Qa4	12... Qb6	32. Rd8	32... Rd2
13. f4	13... Nh7	33. Rd2	33... Rd8
14. f5	14... Rb8	34. Kd1	34... Bb7
15. Bg6	15... Bg7	35. Bb5	35... Bc6
16. Bf6	16... g7	36. b4	36... ab
17. Bg5	17... h6	37. ab	37... cb
18. Bxg7	18... Kxg7	38. cb	38... cb
19. Bc4	19... Bb7	39. Ra1	39... Ra1
20. Qf4	20... Ng5	40. Ra2	40... Ra2

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## INTERNATIONAL

## President's Drug Hearing Transfixes Colombia

By Douglas Farah  
Washington Post Service

BOGOTÁ — Dubbed the "trial of the century" by Colombians, congressional hearings to determine whether President Ernesto Samper knowingly took millions of dollars from drug traffickers for his electoral campaign have little of the drama of Watergate or the suspense of a landmark court case.

That is because the verdict is virtually a foregone conclusion. The 165-seat Chamber of Representatives, which has seven members in jail for narcotics corruption and an additional 20 under investigation, is widely favored to absolve the president by an overwhelming margin within the next five days. Ninety-three representatives belong to Mr. Samper's Liberal Party, 58 are Conservatives and 14 are from smaller groups.

But despite the absence of suspense, the hearings, which are broadcast live on television and radio every day and garner large headlines, have drawn widespread interest in this deeply polarized nation, where polls indicate that

about 60 percent of the people believe the president is guilty and 40 percent believe he should be absolved.

Bogotá's Bolívar Plaza, in front of a legislature now surrounded by troops in combat gear, has turned into an open-air circus, with pro-Samper and anti-Samper demonstrators shouting at each other.

**'It is bread and circus for the people. There is not much bread, but it is a pretty good circus.'**

One of its favorite attractions has been a large papier-mâché elephant, which was attacked by pro-Samper forces. The elephant became an anti-Samper symbol after a leading Roman Catholic prelate, Bishop Pedro Rubiano, said the likelihood of Mr. Samper's not knowing drug money was entering his campaign was the same as having an elephant in one's house without noticing it.

"It's the best show you can get for free," said a taxi driver, Javier León, watching at the plaza. "It is bread and circus for the people. There is not much

bread, but it is a pretty good circus." Colombia has been wallowing for a year in one of its deeper political crises, as Prosecutor General Alfonso Valdivieso has pressed his investigation into the financing of Mr. Samper's 1994 campaign — thereby unraveling for the public the influence of drug money.

Known as "Case 8000," the investigation has led to the arrest of several senior campaign officials, including its treasurer and manager.

What is no longer under discussion, even by Mr. Samper's staunch defenders, is that large sums of drug money entered the campaign.

One of the main lines of defense used by Representative Heine Mogollón, the president's chief advocate in the congressional debate, was that it was not a crime for a candidate not to know where his campaign's money came from. Mr.

Samper blames possible drug money infiltration on campaign officials.

Under the constitution, the lower house will weigh the evidence against the president, and if it decides to indict, the president must step down while being tried in the Senate.

Enrique Santos, an influential political analyst, said in *El Tiempo*, the nation's largest newspaper, that the situation was "without precedent," adding: "Too bad it won't change anything. We already know how it will end, because most representatives are tied to the president, either by political friendship, bureaucratic favors given or because they are implicated in the same crime, receiving drug money. What could have been a chance for the Congress to save its prestige is rapidly turning into collective hara-kiri."

At times, it seems the public has more interest in the debate than the congressmen do. Many of them stay home or wander the halls, leaving the chamber more than half empty. The House speaker, Rodrigo Rivera, has warned congressmen that their lackadaisical conduct could result in disciplinary charges.

The outcome of the trial could further damage already bad relations between Bogotá and Washington, once staunch allies in the fight against transnational cocaine and heroin syndicates based in Colombia.

Senior U.S. officials have made no secret of their belief that Mr. Samper accepted up to \$6 million from the Cali cocaine cartel for his presidential bid.

On March 1, the United States failed to certify Colombia as cooperating in the fight against drug trafficking. Last week, when the lower house's committee of accusations recommended that Mr. Samper be absolved, the State Department took the unusual step of expressing "deep concern" over the vote.



WEDDING BELLES — A couple in Hallowes, England, posing Monday with 15 little cousins they outfitted to be their attendants.

## Businesses See Nigeria as Most-Corrupt Nation

New York Times Service

Nigeria tops the list of countries that international business people consider the most corrupt, according to a ranking published Sunday by a Berlin-based independent organization, Transparency International.

Fifty-four countries involved in international business are ranked in the group's second annual corruption index.

The rankings are based on results from 10 surveys made by management

and risk-analysis organizations. Also taken into account was information volunteered by representatives of international companies through the Internet.

After Nigeria, business people ranked Pakistan, Kenya, Bangladesh, China, Cameroon, Venezuela, Russia, India and Indonesia as the most corrupt countries.

The 10 least corrupt countries this year were New Zealand, Denmark, Sweden, Finland, Canada, Norway,

Singapore, Switzerland, the Netherlands and Australia.

The United States was judged the 15th-least-corrupt place, with a slightly worse reputation than Israel but better than Austria.

The findings, stored and analyzed at Göttingen University in Germany, report perceptions of people in international business, mostly from industrialized nations, who deal regularly with foreign companies and governments.

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## Personals

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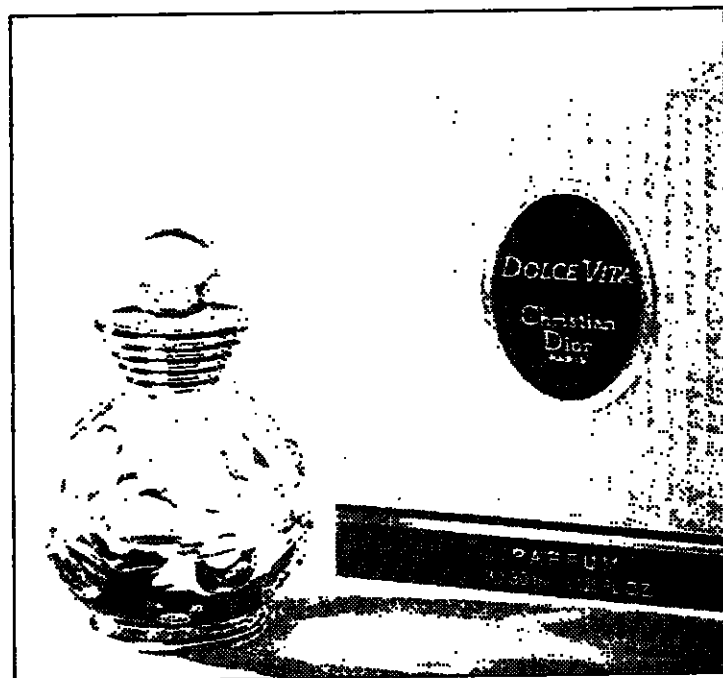
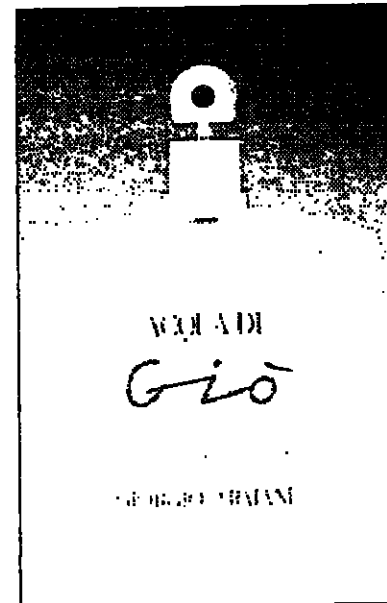
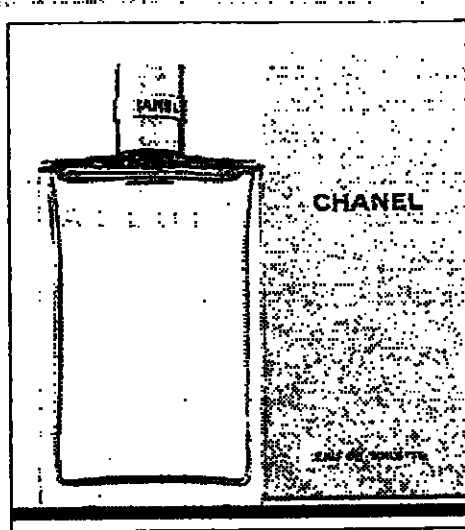
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## Scents and the Scientific: Fragrance Industry Goes High Tech



Annette Green, president of the Fragrance Foundation, says of the new scents: "I call them futuristic—fragrances with new ingredients that come out of the mind of consumers."

By Suzy Menkes  
International Herald Tribune

PARIS — Deep in the rain forest, something stirs. Two figures are crouched in the undergrowth as night falls. Poachers after an endangered species? Ecologists working to save the planet? No. Scientists extracting by high tech the scent of a rare flower. The application of science is transforming the fragrance industry, offering palates exotic sensations as a new generation with different tastes thrusts forward to the new millennium.

On Tuesday at Lincoln Center in New York, the 24th annual FIFI Awards of the Fragrance Foundation will include a new category: innovative technology of the year. It is an acknowledgment, says Annette Green, the organization's president, of the role now played by science in the centuries-old industry.

The nominations for the FIFI Awards — especially in the recently established European categories — emphasize the changes, like Cartier's So Presty, which (appropriately for a jeweler) uses the diamond orchid from Brazil that releases its pungent fragrance only in the single hour of twilight.

"I call them futuristic — fragrances with new ingredients that come out of the mind of consumers," says Green. "Older people often find them strange, like atonal music. There is a huge generational shift in music, the arts, food — all the sensory areas."

She cites Estée Lauder's Pleasures (a FIFI finalist) with its ozone and marine notes and also the oceanic floral mix of Dior's Dune (although Dior's more classic Dolce Vita swept the European awards). Another example of the new modern mixes would be Lancôme's Poème, mingling the Himalayan

blue poppy from the mountains and the desert sand datura flower. Or for men, the Florida grapefruit and Cape Cod cranberry served up by Aramis for the American designer Tommy Hilfiger. Tommy is one of FIFI's finalists.

The most talked about launch of the current season is Allure, Chanel's first fragrance for 12 years. In an industry when launches are a dime a dozen, Chanel's famous "nose" Jacques Polge has created a contemporary floral, with tangy citron and woody, fruity notes among the more classic rose and jasmine. It comes in a graceful but clinical bottle — the spirit of modern times since watery fragrances like Eau D'Issey from Issey Miyake and Acqua Di Giò from Giorgio Armani swept in as a new wave for the 1990s.

Green, watching the rise of the American fragrance industry and the success of Calvin Klein's unisex CK One (a European FIFI nominee), believes that France has to look at fragrance more as a "temporary experience." But Allure is expected to have global success and staying power.

Jean Courrière of Parfums Givenchy presented the house's new Organza fragrance on Monday — a fragrance designed, he said, for the "feminine woman" and not for "a 17-year-old gamine" — although she would be welcome to wear it.

"It is true that American perfumery has grown over the last 15 years," says Courrière. "But France should justify its position and defend it with big projects and great fragrances."

Launches to come in France this year include new fragrances from Nina Ricci, from the great classic house of Guerlain and a first from Céline. In America, CK One, the sequel to CK One, is slated for the fall with promises of an exceptional "juice." Classic and avant-garde fragrances both use the new

"headspace" technology, which uses gas chromatography to analyze a fragrance "fingerprint" that can then be chemically re-created. This helps to capture the scent of the living flower, currently in vogue, as in the "living" clementine used in Kenzo's new Kashaya, the evanescent black tulip captured by Fragonard, the fresh violet leaves in Pleasures or the lavender of Jean Paul Gaultier's Le Male (FIFI's French winner).

The idea of fashions in fragrances is nothing new. They reflect the times just as Guerlain's 1919 exotic Mitoukoku or Yves Saint Laurent's heady Opium in 1977 — now launched for men and a European FIFI finalist.

THE current trend is for a breezy, oceanic freshness. Escada had oceanic top notes mingling with fruit in its 1995 Ocean Blue. Fruit and foods are other strong messages: chocolate in Thierry Mugler's 1993 Angel; a whiff of apple pie in Tommy; black currant and tangerine in Opium for Men, and black currant in Querc's Accenti. The ingredients of Hugo from Hugo Boss include spearmint and green apple.

Green has an explanation for this rise in comfort smells like mother used to make or nature intended. "Because of pollution, people become more aware of the sense of smell," she says. "And out of the physical fitness revolution has come smells of nature."

Green sees a not-too-distant future in which computerized odors are released as part of entertainment. If that sounds visionary, Green has a claim to that tag. When she took over the Fragrance Foundation in 1962, it was a worthy but moribund institution and American women dabbed on fragrance rarely for special occasions. Green foresaw the changes in society as women went into the workplace and started to build up a "wardrobe of fragrances."

Now the Fragrance Foundation, as the nonprofit arm of the \$5 billion American fragrance industry, serves a useful educational role, as well as recognizing excellence in the FIFI Awards. In another innovation, they will honor print and television ad campaigns — an acknowledgment that fragrance in the modern world is about persuasive marketing as well as a magical "juice."

## Ultra-Thin Models: Bad Image?

By John Danton  
New York Times Service

LONDON — After stepping into a minefield of controversy over the connection between fashion and health, the Swiss watch manufacturer Omega reversed its decision to stop advertising in a British fashion magazine that used what it called "skeletal" models.

Giles Rees, the British marketing manager for Omega Watch Corp., a unit of SMH Swiss Corp., said that his company would cease advertising in British Vogue, saying its emphasis on ultra-thin models, typified by two features in the June issue, could encourage young women to develop eating disorders. But a day later he reversed his position, saying that the company's chairman, Nicholas Hayek, believed "it is not in anybody's interest to influence the editorial position of any given media."

Stephen Quinn, the magazine's publisher, said that the reversal was "a complete victory" for Condé Nast, the Advance Publications unit that owns the magazine. "It's good news in terms of editorial independence and the fact that advertising revenue will continue," Quinn said, according to the Associated Press.

Rees' original letter to the magazine excoriated it for two features in the June issue in which photos of two models, Trish Goff and Annie Morton, show them as unusually thin. Rees said that he was "appalled" by the "extremely distasteful" pictures of the models — not just because they were so thin but because the layouts "made every effort to accentuate this attribute."

Morton, in an eight-page spread on

bandeau tops, tiny shorts and rubber skirts, shows a boyish figure and a rather sickly demeanor, described by a blurb as taking "body consciousness to a new extreme." Advice follows on achieving such a look: "All that's required is a well-toned physique and a cool attitude."

Caught off guard, British Vogue first suggested that Omega was upset because a photo spread of watches, including one Omega, was intentionally printed out of focus, apparently for artistic reasons.

Then the magazine's editor, Alexandra Shulman, released a statement saying that it used the same models as other magazines, that they "tend to be in their late teens and still, naturally, extremely thin," and that they "also tend to flesh out as time goes on." The magazine added: "As the fashion bible, we are acutely concerned about the dangers of appearing to promote unnaturally slim models."

Those in the fashion trade and magazine business said that models — particularly British ones — have been getting slimmer. This trend has accelerated since 1992 and 1993 when Kate Moss, the British model, became the paradigm for the latest waif look popularized by fashion magazines and most prominently by Calvin Klein ads.

But this was the first time those industries recalled a major advertiser objecting publicly to the models' appearance because it might encourage unhealthy behavior such as eating disorders. More often, editors and readers complain about the advertisements for reasons from sexual innuendo to encouragement of habits like smoking.

For a long time, casual observers have linked the trend of ultra-thin fashion models to a rise in eating disorders,

theorizing that in setting new standards of slimmest that are impossible for most people to meet, the models are encouraging obsessive dieting and extreme weight loss.

Anorexia nervosa, a sometimes fatal eating disorder characterized by self-induced starvation and excessive exercise, pre-dates fashion's focus on emaciated female bodies, but few psychologists doubt that the imperative to be thin, emphasized daily in ads, movies and on television, contributes heavily to eating disorders.

"The desire to fit the cultural ideal of thinness drives many women to diet severely," said Dr. Terence Wilson, a psychologist at Rutgers University. "In some vulnerable young women, this leads to bingeing and purging, or to self-starvation."

WHILE not discounting the publicity about super-thin celebrities as a factor, researchers also tend to paint a more complicated picture of the disorders — involving low self-esteem, extreme perfectionism, a sense of loss of control and perhaps sexual confusion.

What is not in dispute is the widespread nature of the problem. Recent studies indicate that 1 in 10 college students suffers to a significant degree from anorexia, bulimia nervosa or binge eating. Although most by far are young women, there are signs that the problem is gaining among young men as well.

Some researchers believe that the disorder, once associated largely with middle- and upper-middle class teenage girls, is now increasingly reported among preadolescent girls, adolescent boys and older women.

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**THE WORLD'S DAILY NEWSPAPER**

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TUESDAY, JUNE 4, 1996

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## Juppé Links Cuts In Income Tax to Lower Spending

PARIS — Prime Minister Alain Juppé said Monday he planned to reduce income taxes over the next five years, but he conditioned the cuts on reductions in public spending.

The plan would not quickly reduce earlier government-imposed tax increases, an aide said after the prime minister revealed his program, and Mr. Juppé himself said. "All that is of course conditional on our capacity to control public spending."

Mr. Juppé said that, along with the lowering of income tax, there would be a progressive switch of existing payroll charges for social security to an expanded CSG social charge. The CSG is a supplementary income tax introduced to provide financing for the social security system.

As a result of widening the CSG tax base, some taxpayers could be liable to pay tax on investment income, which is currently not assessed for the CSG tax, he said.

Due to a wide range of tax breaks, only around half of French households actually pay income tax.

But the tax burden, which also includes heavy social security charges, is higher than in most of France's main trading partners.

After taking office a year ago, the Juppé government raised the value-added tax by 2 percentage points and made significant increases in other taxes, such as those on corporate profits.

Those tax increases will be rolled back over the next five years, Mr. Juppé said.

"Taxes will be lighter, simpler and fairer," he said.

The prime minister said the government was now capable of embarking on an ambitious tax reform program because of a strengthening in the economy and a more rigorous fiscal policy.

He said first-quarter growth in gross domestic product was twice as rapid as expected, exports were at record levels, the franc was in good shape and inflation remained under control.

Figures released Monday, however, showed unemployment in April fell by 15,000 but remained stubbornly high at more than 3 million people, or 11.9 percent of the work force.

Mr. Juppé said his plan envisaged a progressive lowering of income tax levels starting in 1997 and continuing over a five-year period.

He said Parliament would vote each year on the adjustment to be made in the next year's tax levels. From as early as 1997 tax cuts would be visible to consumers, with half of all households seeing a lowering of their tax payments, he said.

The prime minister did not say by how much taxes would be cut over the five-year period, nor did he say which capital revenues would be taxed, though he did single out life insurance as enjoying a privileged fiscal status.

France's *taxe professionnelle*, a tax employers pay on the basis of the number of people they employ, will also be reformed, Mr. Juppé said. That tax has been seen as penalizing companies with the highest number of employees, and its impact on employment is viewed as potentially harmful.

Mr. Juppé spoke after being handed a report by a special commission on how to reform the country's complex tax system. Just before he spoke, he met with the heads of the finance committees of the National Assembly, Pierre Méhaignerie, and his counterpart at the Senate, Christian Poncelet.

The French prime minister said tax reform could not go through without a lowering of taxes, which in turn required cuts in public spending.

He made his announcement as renewed strike action threatened the country. Paris train drivers caused disruption Monday, and action was due later in the week by energy and telecoms workers, climaxing in a demonstration in Paris on Thursday.

(Knight-Ridder, Reuters, Bloomberg, AFP)

## Total Criticizes U.S. Threat Of Sanctions

PARIS — Total SA said Monday it opposed U.S. legislation banning trade with Iran and said it had replied in March to a letter from Senator Alfonse M. D'Amato of New York threatening sanctions against the company.

A representative of Total said the oil company's reply to the Republican senator's letter had made it clear that Total would not accept "a link between terrorist attacks in Israel and our work in Iran."

Total said it had been operating in Iran for decades and that Mr. D'Amato "can't claim to be discovering our presence now."

The International Herald Tribune reported Monday that Mr. D'Amato had sent Total a letter warning the company of pending legislation that would penalize non-U.S. companies investing more than \$40 million a year in either Libya or Iran.

Total invested \$600 million in two Iranian oil fields acquired in 1995 from Conoco Inc., a subsidiary of Du Pont Co.

"We in Congress view any business deal that provides Iran with the hard currency to develop its energy sector as a direct threat to U.S. national security," Mr. D'Amato's letter said.

Mr. D'Amato is a main sponsor of the bill, which has passed the Senate and is expected to take effect soon.

## EU Warns Germany On Excess Deficit

LUXEMBOURG — Germany, the European Union's economic powerhouse, was formally warned Monday — as expected by EU finance ministers — to bring its budget deficit under control or risk undermining the drive to create a single European currency.

In a largely symbolic move, EU finance ministers placed Germany on a list of nations whose budget gap had moved beyond the target for countries aiming to adopt the single currency when it is launched Jan. 1, 1999.

Three weeks ago, the EU Commission formally cited Germany as an excess-deficit country. Denmark was taken off the list Monday, joining Ireland and Luxembourg.

## U.S. Credit-Card Companies Win a Fee Battle

WASHINGTON — Major banks won a multibillion-dollar fight Monday when the Supreme Court unanimously ruled that national credit-card issuers could impose late-payment fees or other flat charges, even in states where local laws prohibit them.

The court sided with Citicorp in the dispute over whether major credit-card companies could rely on the laws of a few small states, such as Delaware and South Dakota, to avoid rules in more than two dozen other states that limit or forbid late fees or other flat charges.

The court based its decision on the fact that the U.S. comptroller of the currency had ruled that late fees were regarded as interest payments.

That decision made late fees subject to a federal law that sets interest rates by the rules of a state where a bank is located, rather than the state where its customers live. The federal definition of interest overrides individual state rules.

The federal rules, which apply to both national banks and federally insured state banks, are designed to let banks operate under a single set of rules.

Questions about the legality of late fees have been raised in dozens of class-action lawsuits across the country involving Citicorp's Citicard unit, Dean Witter Discover & Co.'s Discover card and other credit-card issuers. The stakes were tremendous: Issuers of credit cards collected about \$2.1 billion a year in late-payment charges and similar fees and an additional \$3 billion from annual fees, fees for taking cash advances and other consumer charges.

If the Supreme Court had ruled against them, credit-card issuers could have lost a substantial chunk of that fee revenue and could have faced damage claims for billions of dollars they had collected in fees.

Citicorp stock rose 25 cents to close at \$84.25 on the New York Stock Exchange. Dean Witter Discover fell 12.5 cents to close at \$59.125.

## Investor Angst: Still Time to Buy In?

By Tom Petrucci  
Los Angeles Times Service

In the bull market of 1996, the only thing more nerve-racking than being heavily in stocks is being out of them.

If you're still out, and kicking yourself for it, or if you feel as if you've never quite invested enough in the 1990s, or if you have a large lump-sum pension distribution on the way and wonder what to do with it, you've come to the right newspaper column.

Enough talk about "10 percent corrections," bear markets and other assorted stock mayhem. What if, despite everything that can go wrong for the market, a year from now share prices in general are higher than they are today? How much worse will the uninvested and underinvested feel then?

Here is advice from four veteran investment pros who daily face new clients with fear in their eyes and money burning holes in their pockets: • Sheldon Jacobs, editor, No-Load Fund Investor newsletter: "We're going to immediately put 50 percent of the money into the market, and the other 50 percent will be invested over the next three to four weeks."

For truly long-term investors, the point is to get in before more time gets away from you, he says. "You're better off establishing your risk level and being there."

• Robert Markman, of Markman Capital Management in Minneapolis, advises that people make a decision about what they want to own and just do it.

Risks, Mr. Markman notes, are ever present. You can tell yourself there will be a better time to buy, but when that time comes you may still talk yourself out of it. Staying away from stocks now "just puts off the inevitable reckoning for what kind of investor you are," he said.

But he also concedes that you should not be buying stocks today without visualizing what a bear market would do to stock values — meaning a decline of 15 percent to 50 percent or more, depending on the security — and what your reaction would be.

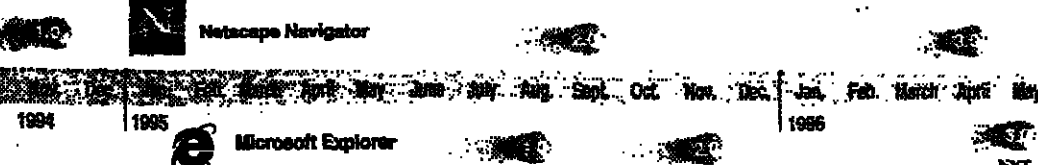
• Morgan White of Woodside Asset Management, Menlo Park, California: "We're as nervous as anyone else" about the stock market, Mr. White concedes. But as new Silicon Valley clients come to him bulging with cash, he says staying sidelined is not an alternative.

His solution is to build highly diversified portfolios using securities whose returns historically tend not to be correlated with each other.

• Werner Keller of FundMinder, Sherman Oaks, California, tells clients who use his service to build mutual fund portfolios. The key, he says, is to stay invested in bull moves but have an ironclad exit plan that will automatically get you out before severe damage is done in a bear market.

Investors using Mr. Keller's service have a "stop-loss" point for every fund owned: If the fund drops somewhere between 3 percent and 8 percent, it is sold, and the assets are shifted to cash. When the market begins to climb again, FundMinder's system automatically triggers buy orders.

**To the Swift** When software had to be boxed and shipped, a developer might take two years to update a program. But as more software is distributed via the Internet, the race is on to release new versions of a product every few months. Microsoft, trying to make its Web-browser software, Explorer, catch Netscape's Navigator, has introduced three versions since August.



By John Markoff  
New York Times Service

## Silicon Valley Accelerates To Web Speed

PALO ALTO, California — Silicon Valley, held in the Internet's thrall, has found a new religion. Its symbols are everywhere — including the slide that David Hancock recently used to illustrate a sermon to his management team.

"Speed is God," read the slide, as Mr. Hancock, chief executive of Hitachi Corp.'s new portable-computer division, began preaching the need to rush out the group's first product. "And time," Mr. Hancock said for emphasis, "is the devil."

The frenetic pace of business in America's leading high-technology region has become downright fiendish, propelled by the explosive growth and implacable demands of the Internet.

For a variety of reasons, the Internet has severely compressed the business cycle for the chipmakers, computer developers and software designers of Silicon Valley. Chief among those reasons is the high-speed product development that results from exchanging ideas and research over the network.

Product development has also been accelerated by the dissemination of each incremental new version of software by means of the World Wide Web and the subsequent hunger for new hardware fine-tuned to that software.

The resultant tumult, opportunities and risks are being shared by suppliers, customers and investors throughout the information-technology industry.

"We are now living on Internet time," said Andrew S. Grove, chief executive of Intel Corp.

Intel, which rose to power in an earlier, more measured high-technology era, is now scrambling to adapt to life at warp speed. "It's a new territory," Mr. Grove said, "and the cyber equivalent of the Oklahoma land rush is on."

Some instigators of this switch in time have been Internet-software newcomers such as Netscape Communications Corp., which has rapidly become the standard-setter in the industry with its handling of its Navigator browser program.

Software companies — including Microsoft Corp. — that once issued new versions of their neatly boxed and shrink-wrapped programs every 18 months or two years now send out raw, untested software three to four times a year via the Internet just to keep pace.

For the Internet's sibling industries, the pulse has quickened as well. Computer hardware and peripheral companies — from established players such as Intel to start-ups such as Mr. Hancock's Hitachi division — now design business plans so that most of the profit is wrung from a product within its first three months on the market.

After that, executives say, so many competing products will have flooded any given niche that no one can make any money. Venture-capital firms, the financial lifeblood of Silicon Valley, are now interested primarily in start-up companies that plan an 18-month life cycle.

Within that span, the idea is to move from concept to first product to an exit strategy — either by going public with a stock offering or by selling out to a bigger company.

At Sun Microsystems Inc., a Silicon Valley old-liner that has found a new career in Internet products, progress is now measured in "Web weeks," said Eric Schmidt, Sun's chief technology officer. The company now estimates that 20 percent of its in-house technical knowledge becomes obsolete each year.

But new knowledge can quickly flourish. It was only about a year ago that Sun introduced Java, a computer language designed specifically for the Internet. Since then, Java has become a runaway hit for Sun, helping raise the company's value in the stock market by more than \$6 billion, to a market capitalization of more than \$11.5 billion.

Chances for a big payoff, of course, have long motivated the engineers and entrepreneurs of Silicon Valley to work 16-hour days for months on end to get a new product out the door. But as traditional product cycles give way to an endless stream of upgrades, many people here say that Internet time has removed any semblance of boundaries between home life and work life.

For big corporations, adopting the truncated timetables can require a little shock therapy.

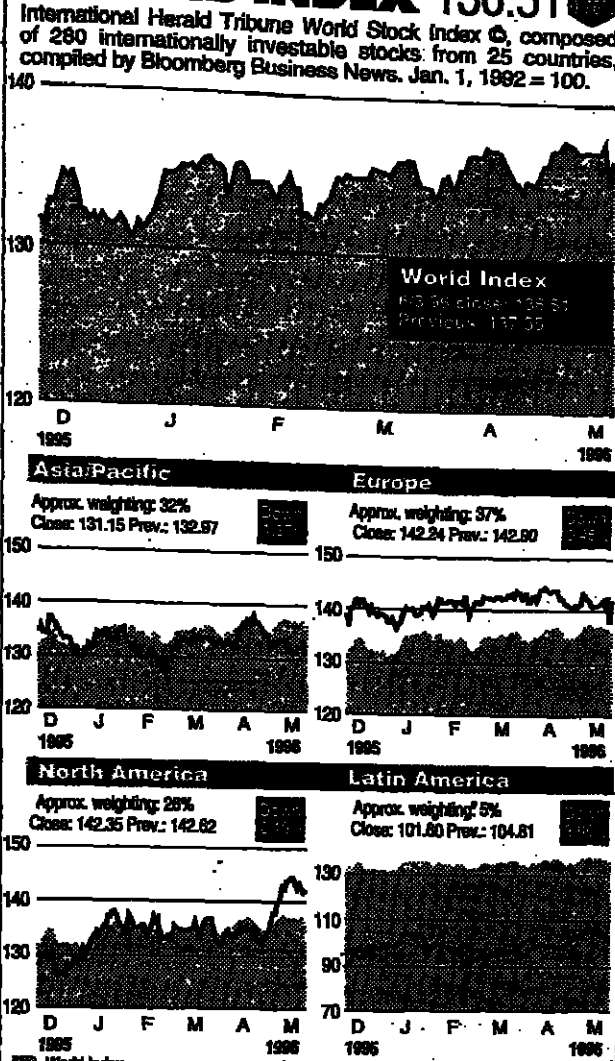
When Mr. Hancock of Hitachi agreed to run the new portable-PC company in January, he decided to shoot for a new generation of computers every six months — not every two years as was the PC-industry norm as recently as 1994.

He traveled to Japan

See VALLEY, Page 16



**THE TRIB INDEX: 136.51**  
International Herald Tribune World Stock Index composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1982 = 100.



The index tracks U.S. dollar value of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top issues are tracked.

Industry Sector	Index	Price	% Change
Energy	143.59	144.29	-0.49
Utilities	127.38	128.06	-1.22
Finance	118.87	120.72	-1.53
Services	127.30	128.38	-0.84
Capital Goods	147.75	148.49	-0.50
Raw Materials	159.29	159.89	-0.25
Consumer Goods	144.46	144.75	-0.20
Miscellaneous	144.06	147.03	-1.34

## Thinking Ahead / Commentary

### Cheap Labor Poses a Trade Dilemma

By Reginald Dale  
International Herald Tribune

WASHINGTON — People in rich countries tend to feel bad when they hear about children working for minimal wages in Third World sweatshops — especially when the fruits of that labor show up in their local stores.

But what should be done about it? Some Americans are urging a ban on imports of goods produced by child labor after reports that clothes endorsed by Kathie Lee Gifford, an American television personality, had been partly made in Honduras by girls earning 31 cents an hour.

Others say shoppers in industrial countries should simply boycott such goods. But would they feel better if the 12-year-olds lost their jobs and earned nothing at all?

Such difficult and divisive questions are increasingly dominating debate over the future of the international trading system. The United States, France and other rich countries, for instance, want the World Trade Organization in Geneva to enforce widely accepted international labor standards. Those might include the prohibition of child labor, the right to freedom of association and collective bargaining, and nondiscrimination in employment.

Some of the idea's more extreme proponents want trade sanctions not only to punish countries violating the standards but also to push up wages closer to industrial-world levels.

Unfortunately, it is not that simple. In poor countries, a family may depend on its children's wages to survive.

Outrage over such practices is not always altruistic. It is often fomented by fears that countries with low labor standards are destroying jobs and forcing down wages in the industrial world. The aim easily becomes to raise costs in developing countries to make them less competitive.

But developing countries say such a move would remove their only economic advantage — cheap labor. Many free-trading industrial nations agree.

They argue that rigid labor markets are the main cause of growing unemployment and wage inequality. Differences in labor standards have little impact on trade or on foreign investment, they say.

That argument has just received unexpected backing from a report from the Organization for Economic Co-operation and Development, which suggests that labor standards have little or nothing to do with trade.

The report finds that multinational companies are not looking for low labor standards in deciding where to invest and that few countries are trying to compete by lowering standards. Those that do will gain only a short-lived advantage — improved labor standards tend to go hand in hand with greater prosperity.

No evidence links low labor standards to better export performance, the report says. Textiles shipped to the United States from countries condoning child labor are not necessarily cheaper than those from elsewhere.

The findings suggest that developing countries won't lose, and may even gain, by improving their working conditions. The report's conclusions, however, also remove any justification for linking labor practices to the rules of trade.

The role of the World Trade Organization is to combat genuine commercial barriers, not to enforce social objectives that have little relevance to trade — especially ones that can so easily be twisted to serve protectionist ends. Boycotts, too, the OECD warns, can be manipulated by "narrow domestic interests."

That does not mean that nothing can be done to help children and others exploited by ruthless employers. The International Labor Organization in Geneva exists for that very purpose.

The surest way to help is to encourage poor countries to get rich. That means promoting trade and investment, not limiting them with economic sanctions.

## CURRENCY & INTEREST RATES

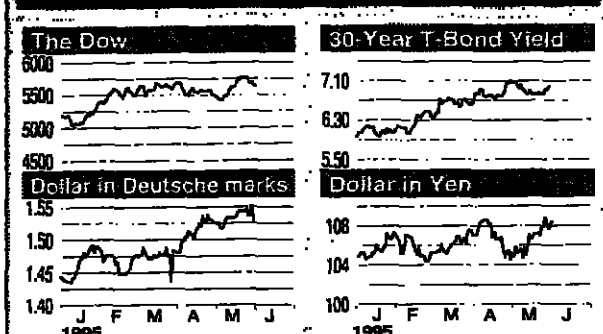
Cross Rates	June 3	June 3	June 3	June 3
Australia	1.71	2.05	1.19	0.80
Canada	0.75	0.75	0.75	0.75
France	6.55	6.55	6.55	6.55
Germany	1.36	1.36	1.36	1.36
Italy	1.36	1.36	1.36	1.36
Japan	109.00	109.00	109.00	109.00
UK	1.63	1.63	1.63	1.63
Switzerland	1.48	1.48	1.48	1.48
Sweden	8.46	8.46	8.46	8.46
Denmark	6.46	6.46	6.46	6.46
Norway	4.76	4.76	4.76	4.76
Spain	166.36	166.36	166.36	166.36
Greece	340.75	340.75	340.75	340.75
Portugal	200.48	200.48	200.48	200.48
Finland	5.94	5.94	5.94	5.94
Ireland	7.86	7.86	7.86	7.86
Netherlands	2.20	2.20	2.20	2.20
Belgium	36.36	36.36	36.36	36.36
Austria	13.76	13.76	13.76	13.76
Czech Republic	166.36	166.36	166.36	166.36
Slovak Republic	166.36	166.36	166.36	166.36
Poland	166.36	166.36	166.36	166.36
Hungary	166.36	166.36	166.36	166.36
Slovenia	166.36	166.36	166.36	166.36
Croatia	166.36	166.36	166.36	166.36
Serbia	166.36	166.36	166.36	166.36
Bosnia	166.36	166.36	166.36	166.36
Herzegovina	166.36	166.36	166.36	166.36
Montenegro	166.36	166.36	166.36	166.36
Albania	166.36	166.36	166.36	166.36
Romania	166.36	166.36	166.36	166.36
Bulgaria	166.36	166.36	166.36	166.36
Greece	340.75	340.75	340.75	340.75
Portugal	200.48	200.48	200.48	200.48
Finland	5.94	5.94	5.94	5.94
Ireland	7.86	7.86	7.86	7.86
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Slovak Republic	166.36	166.36	166.36	166.36
Poland	166.36	166.36	166.36	166.36
Hungary	166.36	166.36	166.36	166.36
Slovenia	166.36	166.36	166.36	166.36
Croatia	166.36	166.36	166.36	166.36
Serbia	166.36	166.36	166.36	166.36
Bosnia	166.36	166.36	166.36	166.36
Herzegovina	166.36	166.36	166.36	166.36
Montenegro	166.36	166.36	166.36	166.36
Albania	166.36	166.36	166.36	166.36
Romania	166.36	166.36	166.36	166.36
Bulgaria	166.36	166.36	166.36	166.36



## THE AMERICAS

## Econometist Is Wary of Brazil Signs of Inflation Pull Stock Market Lower

## Investor's America



Exchange	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	5624.71	5643.18	-0.33
NYSE	S&P 500	667.68	669.12	-0.22
NYSE	S&P 100	646.11	646.02	-0.14
NYSE	Composite	358.27	358.83	-0.16
AMEX	Nasdaq Composite	1235.06	1243.44	-0.67
AMEX	Market Value	606.71	610.93	-0.69
London	FTSE 100	5284.30	5246.40	+0.73
Sao Paulo	Bovespa	56390.74	57425.40	-1.87
Manila	PSE	3191.76	3205.51	-0.43
Manila	Alse	598.18	600.44	-1.88
Santiago	IPSA General	5365.34	5417.07	-0.96
Chengdu	Capital General	N.A.	4461.55	

Source: Bloomberg, Reuters. International Herald Tribune

## Very briefly:

- Digital Equipment Corp. and Compaq Computer Corp. rolled out new personal computers for businesses, and Hewlett-Packard Co. cut prices on its commercial line in moves timed for the beginning of the Comdex trade show in Chicago.
- Mobil Corp. will realign its management structure to create 11 business groups reporting to an executive office. The new structure replaces the current organization of three worldwide operating divisions.
- McDonnell Douglas Corp. machinists in St. Louis threatened to go on strike Wednesday unless they received an acceptable contract. The machinists' union objects to the aerospace company's increasing use of outside contractors and the transfer of some work to nonunion plants.
- Peru opened registration for shares in Telefonía del Perú, the nation's biggest privatization drive. An estimated 15 percent of the state's \$1.4 billion stake is expected to be sold.
- RailTex Inc. agreed to acquire Indiana & Ohio Railcorp. for \$12.5 million.

## Weekend Box Office

LOS ANGELES — "Mission: Impossible" dominated the U.S. box office over the weekend, with a gross of \$22.2 million. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. Mission: Impossible	(Paramount)	\$22.2 million
2. Twister	(Warner Bros.)	\$16.7 million
3. Dragonheart	(Universal)	\$12.8 million
4. Eddie	(Hollywood Pictures)	\$8 million
5. The Arnel	(Orion)	\$4.6 million
6. Boyz n the Hood	(Hollywood Pictures)	\$4.3 million
7. Flipper	(Universal)	\$1.6 million
8. Truth About Cats and Dogs	(20th Century-Fox)	\$1.1 million
9. The Craft	(Columbia)	\$1 million
10. Toy Story	(Disney)	\$1 million

## INTERNATIONAL FUTURES

June 3, 1996	High	Low	Close	Open	Opt
Grains					
Wheat (CBOT)	121.75	119.75	120.50	119.75	120.50
Wheat (CBOT)	121.75	119.75	120.50	119.75	120.50
Wheat (CBOT)	121.75	119.75	120.50	119.75	120.50

June 3, 1996	High	Low	Close	Open	Opt
Metals					
Gold (COMEX)	370.00	369.00	369.50	369.00	369.50
Gold (COMEX)	370.00	369.00	369.50	369.00	369.50
Gold (COMEX)	370.00	369.00	369.50	369.00	369.50

June 3, 1996	High	Low	Close	Open	Opt
SOYBEAN MEAL (CBOT)	24.00	23.75	23.75	23.75	23.75
SOYBEAN MEAL (CBOT)	24.00	23.75	23.75	23.75	23.75
SOYBEAN MEAL (CBOT)	24.00	23.75	23.75	23.75	23.75

June 3, 1996	High	Low	Close	Open	Opt
SOYBEAN OIL (CBOT)	24.00	23.75	23.75	23.75	23.75
SOYBEAN OIL (CBOT)	24.00	23.75	23.75	23.75	23.75
SOYBEAN OIL (CBOT)	24.00	23.75	23.75	23.75	23.75

June 3, 1996	High	Low	Close	Open	Opt
WHEAT (CBOT)	121.75	119.75	120.50	119.75	120.50
WHEAT (CBOT)	121.75	119.75	120.50	119.75	120.50
WHEAT (CBOT)	121.75	119.75	120.50	119.75	120.50

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WHEAT (CBOT)	121.75	119.75	120.50	119.75	120.50
WHEAT (CBOT)	121.75	119.75	120.50	119.75	120.50

A leading American economist suggested Monday that Brazil risked suffering the same kind of financial crisis that hit Mexico last year.

"I think a country like Brazil is driving in the wrong lane with the expectation that there is never any traffic on the other side," said Rudiger Dornbusch, professor of economics at Massachusetts Institute of Technology.

He was speaking to reporters at an international banking conference in Sydney after being part of a closed-door panel that discussed the topic "Capital for World Trade and Development."

Mr. Dornbusch has said he felt the Brazilian economy was grossly mismanaged. He said that high real interest rates and a currency overvalued by 40 percent stood in the way of growth and financial stability.

Some analysts disagreed with Mr. Dornbusch. "Brazil does have problems; it's far from ideal, but it's not facing financial collapse," said Peter West, of West Merchant Bank in London.

Patrick Grenham, an analyst with LatInvest in London, agreed that Brazil was in better shape than Mexico. "Even if there was a panic and there was

a collapse in the currency, Brazilian companies aren't as badly indebted in dollars as the Mexican companies were, and the Brazilian government isn't as indebted," he said.

But Mr. Dornbusch had some allies at the Sydney meeting. "At the moment it is obvious that there is a capital flow to Asia," said Jan Kalff, chairman of ABN-AMRO Bank.

He said his customers showed a clear preference for Asian debt ahead of Latin American and East of Central European debt.

"By contrast, there is a greater reluctance in Latin America, Eastern Europe and Central Europe, although there is capital flowing there, it's at a very limited scale," he said.

Mr. Dornbusch, speaking after a closed session along with other members of the panel, said he did not necessarily believe that the capital flows were necessarily pure flows rather than merely money being "parked."

He also said he felt not enough attention was being paid to exchange-rate policies, but he made no specific reference to levels of interest rates or particular currencies.

(Knight-Ridder, Reuters, Bloomberg)

## Speculation on Fed Gives Dollar a Boost

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the Deutsche mark Monday after a report on U.S. manufacturing suggested that the Federal Reserve could be more inclined to raise interest rates.

The National Association of Purchasing Management's report showed that more manufacturers paid higher prices last month, a sign of possible inflation that could prompt the Fed to raise interest rates this year. The impression was strengthened by rising U.S. bond yields.

"The focus comes back to widening interest-rate differentials," said Seth Cohen, Merrill Lynch's currency sales chief. "If U.S. rates rise, even if German rates remain steady, that's a pretty good environment for the dollar."

The dollar closed at 1.5277 DM, up from 1.5225 DM on Friday in New York. It also rose to 108.45 yen from 108.07 yen.

The Bundesbank, meanwhile, could cut a key money-market rate — the rate on 14-day repurchase agreements — in the next few weeks because of its struggling economy, traders said.

While the U.S. economy grew at a 2.3 percent annual rate in the first quarter, Germany's economy contracted 0.1 percent in the first quarter.

"I am still convinced the dollar is set to gain against European currencies," said Ray Goodner, a manager at American Express Financial manager. "Our economy's going so much better than in Europe."

Even so, the pound gained for the sixth consecutive day after Chancellor of the Exchequer Kenneth Clarke said the currency's recent rise did not pose a threat to economic growth or exports.

Sterling has risen 2.8 percent since May 24. The pound closed at a five-month high of \$1.5566, up from \$1.5513.

The dollar's rise against the yen reflected slower economic growth in Japan, which is recovering from a four-year slump, and the likelihood Japan would not raise interest rates soon, traders said.

Against other currencies, the dollar rose to 1.2537 Swiss francs from 1.2487 and to 5.1715 French francs from 5.1525. (Bloomberg, APX)

## A Bidder Signals Appetite for Avis

Bloomberg Business News

PARSIPPANY, New Jersey — Avis Inc., one of the largest U.S. car rental operators, said Monday it had received an "unsolicited indication of interest" to be acquired by a publicly traded company.

Avis, which is owned by its employees, is in negotiations to be bought by HFS Inc. for more than \$1 billion including debt, according to an unconfirmed published report citing people familiar with the talks.

An Avis representative declined to identify the company.

The survey was released after two

## FOREIGN EXCHANGE

Compiled by Our Staff From Dispatches

Monday's 4 p.m. Close  
The top 300 most-active shares up to the closing on Wall Street.

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## AMEX

Monday's 4 p.m. Close  
The top 300 most-active shares up to the closing on Wall Street.

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## EUROPE

# New Rate Framework Lifts British Telecom Shares Rise on Freer Pricing Rules

**LONDON** — British Telecom PLC shares rose about 4 percent Monday after British regulators unveiled telephone rates that were more lenient than many had expected.

The new regulatory framework would take effect from August 1997. It would give BT a free hand to set prices for its biggest-spending customers for the first time since it was sold to investors in 1983.

In return, however, BT must submit to the rulings of the Office of Telecommunications, or Ofcom, on questions regarding competition.

For the lowest-spending 80 percent of BT customers, whose bills are below £70 (\$108) a month on average, Ofcom would continue to limit prices. The deregulation would mean only 25 percent of BT's revenue would be regulated, compared with 64 percent now, Ofcom said.

Ofcom said competition in British telecommunications was sufficient to drive down prices for all but the lowest-spending consumers and small businesses. It wants market forces to fully substitute for regulation by the turn of the century.

At the same time, "BT is making super-normal profits," said David Crickshank, director general of Ofcom. He stood by his previous estimate that BT was earning an "excess profit" of £1.5 billion a year.

BT reported a 13 percent increase

in pretax profit, to £3 billion, for its latest year.

In response, BT said Ofcom's plan for future regulation was "deceptively tough," and it balked at Ofcom's bid for the power to rule on competition issues.

"We would very much prefer that Parliament pass a new law prohibiting anticompetitive behavior which would apply to BT and everybody else in our industry and other industries," John Butler, director of regulatory affairs at BT, said.

He said London was considering new competition legislation, but it may not be passed within the time required for Ofcom and BT. By August, BT must either accept Ofcom's proposal or refer it to the Monopolies and Mergers Commission, an anti-trust body, for resolution.

Under Ofcom's new plan, price increases for the 80 percent of customers whose service would be regulated would be limited to 4.5 percentage points below the rate of inflation, as measured by a basket of retail services. That means if the rate of inflation is less than 4.5 percent, BT in effect has to cut prices. The cap would be implemented for four years and reviewed after two.

The change would cut £7 from the average bill in that group, BT said.

BT's shares closed at 368.5 pence, up 13.

(Bloomberg, AP, Reuters)

## Deutsche Postbank's Profit Soars After Reorganization

**BONN** — Deutsche Postbank AG said Monday that its reorganizing efforts helped net profit more than quadruple in 1995, bolstering the argument that it should remain independent.

For this year, Chief Executive Ginter Schneider forecast a net profit "of a similar order" to the 226 million Deutsche marks (\$148.5 million) reported for 1995. The state-owned bank had a net profit of 51 million DM in 1994.

Postbank said its operating profit after provisions for risks rose 55 percent, to 430 million DM, in 1995.

Postbank, with Deutsche Post AG and Deutsche Telekom AG, was spun off from the former Bundespost on Jan. 1, 1995, to prepare for its eventual sale. "We have made use of the new scope for action, enabling Postbank to reap the first fruits of the consistent restructuring and redirection," Mr. Schneider said. "We have shown impressively that Postbank not only can stand on its own feet but that it must stand on its own feet."

Mr. Schneider expressed confidence that the government would not let Deutsche Post buy a stake of 25 percent plus one share in Postbank as part of a joint takeover with Deutsche Bank AG and Swiss Reinsurance AG. He noted with approval press reports that government and opposition politicians tended to believe that Deutsche Post should be allowed to buy no more than 20 percent.

(Bloomberg, AFP)

## Analysts Say Reform In Czech Republic Will Survive Election

By Peter S. Green  
International Herald Tribune

**PRAGUE** — Despite the failure of Prime Minister Vaclav Klaus and his center-right coalition to win a majority in parliamentary elections, market watchers said Monday that the poll was unlikely to halt the Czech Republic's march toward a free-market economy.

Under Mr. Klaus's program, the Czech Republic has become a model of stability and free-market reforms among Europe's former Communist countries.

Inflation has been kept under control, unemployment is stable at about 3 percent, and a program of mass privatization has created a country of shareholders who still support reform.

Despite a sharp drop in stock prices Monday, analysts said the inconclusive election results would not destabilize the economy. But they pointed out that it may take a month for Mr. Klaus to form a minority government and that he would need the support of the opposition Social Democratic Party.

In a newspaper interview Monday, Mr. Klaus indicated that a minority government with tacit support from the Social Democrats may be the only solution.

"I don't see many other possibilities," he said. "I don't see democratic parties wanting the support" of the far-right Republicans or the Communists.

The Social Democrats model themselves on Britain's new-look Labor Party and have said they favor economic-reform efforts.

"We are for generalizing continuing privatization and for a market economy and for helping the market economy function better," said Ivan Havlicek, the Social Democrats' economic spokesman.

Analysts said a minority government led by Mr. Klaus would probably undertake some of the painful and unpopular structural reforms still facing the Czech economy, including separating pensions from the state budget and strengthening the social safety net in depressed regions. But it might also have to delay further privatizations, including those of major banks and utilities.

"The vote was for a continuation of the reform, and the question now is whether it will be a social market economy or a purely market economy," said Vladimir Jaroš, chief of research at Wood & Co., a Prague brokerage concern. "The Social Democrats are not going to nationalize back, they're just for strong regulation of the capital market, and that's good for me."

The Social Democrats say they want changes in the form, but not in the substance, of market reforms.

"First, it's a question of better transparency of the capital markets, better functioning of the laws for minority shareholders and for bankruptcy," Mr. Havlicek said. He added that his party also wanted "to find a tool to support exports."

The benchmark CNB-120 stock index fell 26.8 points, or about 3 percent, to 802.60 points Monday. Analysts said the fall reflected temporary concern over the lack of a clear winner in the elections.

"You had foreigners pulling out of the market in anticipation of the elections, and this morning you have strong selling from the domestic side but buying from the foreign side," said Jay King, a trader at Wood & Co. "The foreign view is, it's going to be business as usual, but it will just take a week or two of uncertainty."

In the currency market, the koruna fell sharply in early trading, then regained ground. The Czech National Bank said it fixed the koruna at 27.82 to the dollar, little changed from Friday's fixing of 27.80.

Many analysts said the elections would have little effect on the long-term stability of the Czech Republic.

"Over the next 18 months I see the general instability postponing a lot of the projects that were supposed to happen right after the elections," said Jack Schranz, senior analyst at Creditanstalt Securities.

"Privatization of the banks and utilities, for example — but the Social Democrats do not want to turn the clock back. They're for going forward less quickly. I see it as a good time to buy the blue chips."

## Pakhoed Sets Offer to Buy Rest of Univar

**ROTTERDAM** — Pakhoed NV said Monday it had offered \$19.45 a share for the 72 percent of the U.S. chemical distributor Univar Corp. that it did not already own.

The Dutch shipping and transport company will pay about 520 million guilders (\$305.1 million) for the rest of Univar, which is based in Kirkland, Washington.

Pakhoed said the acquisition would make it Europe's second-largest chemical distributor after Brenntag AG of Germany, which has annual sales of \$1.3 billion.

Pakhoed Chairman Klaas Westdijk said the acquisition would be financed from existing credit lines and cash but would be refinanced later in the year, partly by the issue of preference shares.

Pierre Pellenaeus, director of financial affairs, said the issue would be launched in the second half of the year. Mr. Westdijk declined to give more details on the share issue.

"It's a friendly takeover, and we feel the \$19.45 per share in cash is a good price," Mr. Westdijk said.

Pakhoed shares rose 80 cents, to 44.00 guilders.

(AP, AFX)

## Restructuring Brings Loss in 1st Half at Deutsche Babcock

**OBERHAUSEN, Germany** — Deutsche Babcock AG said Monday that accounting changes and restructuring charges had led it to post a loss for the six months ended March 31.

The machinery maker also said it expected to post a loss for the financial year but that the loss might be "substantially reduced" if revenue expected from the sale of shares and non-core businesses could be effected in time.

Deutsche Babcock said revenue fell 10 percent over the six-month period, to 3.0 billion Deutsche marks (\$1.97 billion), on a 5 percent decline in new orders.

The company had net profit of 46 million DM in its previous financial year. That figure represented a 32 percent decline from the previous year. Deutsche Babcock said high wage costs and the effects of a strong currency on earnings from exports had taken a toll.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
2600	3900	2200		
2500	3800	2100		
2400	3700	2000		
2300	3600	1900		
2200	3500	1800		
2100	3400	1700		
2000	3300	1600		
1900	3200	1500		
1800	3100	1400		
1700	3000	1300		
1600	2900	1200		
1500	2800	1100		
1400	2700	1000		
1300	2600	900		
1200	2500	800		
1100	2400	700		
1000	2300	600		
900	2200	500		
800	2100	400		
700	2000	300		
600	1900	200		
500	1800	100		
400	1700	0		
300	1600	-100		
200	1500	-200		
100	1400	-300		
0	1300	-400		
-100	1200	-500		
-200	1100	-600		
-300	1000	-700		
-400	900	-800		
-500	800	-900		
-600	700	-1000		
-700	600	-1100		
-800	500	-1200		
-900	400	-1300		
-1000	300	-1400		
-1100	200	-1500		
-1200	100	-1600		
-1300	0	-1700		
-1400	-100	-1800		
-1500	-200	-1900		
-1600	-300	-2000		
-1700	-400	-2100		
-1800	-500	-2200		
-1900	-600	-2300		
-2000	-700	-2400		
-2100	-800	-2500		
-2200	-900	-2600		
-2300	-1000	-2700		
-2400	-1100	-2800		
-2500	-1200	-2900		
-2600	-1300	-3000		
-2700	-1400	-3100		
-2800	-1500	-3200		
-2900	-1600	-3300		
-3000	-1700	-3400		
-3100	-1800	-3500		
-3200	-1900	-3600		
-3300	-2000	-3700		
-3400	-2100	-3800		
-3500	-2200	-3900		
-3600	-2300	-4000		
-3700	-2400	-4100		
-3800	-2500	-4200		
-3900	-2600	-4300		
-4000	-2700	-4400		
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-4200	-2900	-4600		
-4300	-3000	-4700		
-4400	-3100	-4800		
-4500	-3200	-4900		
-4600	-3300	-5000		
-4700	-3400	-5100		
-4800	-3500	-5200		
-4900	-3600	-5300		
-5000	-3700	-5400		
-5100	-3800	-5500		
-5200	-3900	-5600		
-5300	-4000	-5700		
-5400	-4100	-5800		
-5500	-4200	-5900		
-5600	-4300	-6000		
-5700	-4400	-6100		
-5800	-4500	-6200		
-5900	-4600	-6300		
-6000	-4700	-6400		
-6100	-4800	-6500		
-6200	-4900	-6600		
-6300	-5000	-6700		
-6400	-5100	-6800		
-6500	-5200	-6900		
-6600	-5300	-7000		
-6700	-5400	-7100		
-6800	-5500	-7200		
-6900	-5600	-7300		
-7000	-5700	-7400		
-7100	-5800	-7500		
-7200	-5900	-7600		
-7300	-6000	-7700		
-7400	-6100	-7800		
-7500	-6200	-7900		
-7600	-6300	-8000		
-7700	-6400	-8100		
-7800	-6500	-8200		
-7900	-6600	-8300		
-8000	-6700	-8400		
-8100	-6800	-8500		
-8200	-6900	-8600		
-8300	-7000	-8700		
-8400	-7100	-8800		
-8500	-7200	-8900		
-8600	-7300	-9000		
-8700	-7400	-9100		
-8800	-7500	-9200		
-8900	-7600	-9300		
-9000	-7700	-9400		
-9100	-7800	-9500		
-9200	-7900	-9600		
-9300	-8000	-9700		
-9400	-8100	-9800		
-9500	-8200	-9900		
-9600	-8300	-10000		
-9700	-8400	-10100		
-9800	-8500	-10200		
-9900	-8600	-10300		
-10000	-8700	-10400		
-10100	-8800	-10500		
-10200	-8900	-10600		
-10300	-9000	-10700		
-10400	-9100	-10800		
-10500	-9200	-10900		
-10600	-9300	-11000		
-10700	-9400	-11100		
-10800	-9500	-11200		
-10900	-9600	-11300		
-11000	-9700	-11400		
-11100	-9800	-11500		
-11200	-9900	-11600		
-11300	-10000	-11700		
-11400	-10100	-11800		
-11500	-10200	-11900		
-11600	-10300	-12000		
-11700	-10400	-12100		
-11800	-10500	-12200		
-11900	-10600	-12300		
-12000	-10700	-12400		
-12100	-10800	-12500		
-12200	-10900	-12600		
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-12600	-11300	-13000		
-12700	-11400	-13100		
-12800	-11500	-13200		
-12900	-11600	-13300		
-13000	-11700	-13400		
-13100	-11800	-13500		
-13200	-11900	-13600		
-13300	-12000	-13700		
-13400	-12100	-13800		
-13500	-12200	-13900		
-13600	-12300	-14000		
-13700	-12400	-14100		
-13800	-12500	-14200		
-13900	-12600	-14300		
-14000	-12700	-14400		
-14100	-12800	-14500		
-14200	-12900	-14600		
-14300	-13000	-14700		
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-16000	-14700	-16400		
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-21100	-19800	-21500		
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-23900	-22600</			



## CYBERSCAPE

## Languages on the Web

Some Sites Give Lessons in Foreign Tongues

By Dylan McClain  
New York Times ServiceNEW YORK — *Da li vi govorite Engleski?*

*Eigo wa hanase masuka?*  
The chances are that the answer to the above questions ("Do you speak English?") is yes. But if your Serbo-Croatian or Japanese is a little rusty, sites on the World Wide Web provide places to brush up or even start learning the languages from scratch.

Before you begin, however, keep in mind that the sites mainly provide only basic introductions to other languages. While a few are quite good, they are unlikely to make up for a solid classroom education, and you will probably have to spend dozens of hours on line to fully benefit from them.

Most Web sites that offer training in languages exist mainly to sell videotapes, audiotapes, books or classes.

International Language Development, an organization in Portland, Oregon, has set up a Web page that teaches languages interactively in 20 lessons.

The site offers tutorials in French, Spanish and German and plans to add Japanese, Korean and Russian. Bruno Gautier, a Frenchman who developed the site, said the Japanese tutorial should be ready in two weeks, the Korean tutorial by the end of June and the Russian

one by the end of this summer. The tutorials are provided without charge. Mr. Gautier said, because he believes "the Net should provide educational content at no cost." The one drawback of the site is that to listen to the tutorials, phrases have to be downloaded to your computer and played back.

Mr. Gautier said he expected to add an audio server shortly that would allow phrases to be played as they were selected. Those interested in learning Japanese might want to check out the Fortran site, which refers to a group called Fortran Language Systems in Tokyo.

Some Web sites provide links to foreign-language tutorial pages.

Choosing the language category on the Maricopa Center for Learning and Instruction site connects you to the Serbo-Croatian language laboratory at the University of Maryland, where small audio files are downloaded to a computer as phrases are selected.

Some Web addresses:  
HTTP://WWW.ILD.COM/INDEX2.SHTML  
International Language Development's Web page.  
HTTP://WWW.FACTCOMM.CO.JP/FORTRAN/

Fortran Language Systems Web site.  
HTTP://HAKATAMC.LIB.DIST.MARICOPA.EDU/TL/INDEX.HTML  
Maricopa Center for Learning and Instruction site for doing Web searches.  
HTTP://WWW.GNACADEMY.ORG/8001/UJ/GNA/INDEX.HTML  
The Globewide Network Academy Web page.

## Smart Phones Vie With Dumb Net Terminals

By Laurie J. Flynn  
New York Times Service

Despite the considerable attention being paid to the development of the network computer, the gateway to the Internet may not be a \$500 PC but a \$250 telephone — or it may be both.

In recent months several American telephone manufacturers have announced plans to market sophisticated screen phones that will allow consumers to perform a variety of transactions such as banking or bill-paying as well as receive documents over the Internet and grab bits of information from Web sites or other information services.

This week, Philips Home Services, the interactive-services unit of Philips Electronics NV, will begin selling a phone that can send and receive mail over the Internet using software from Oracle Corp., which has promoted the idea of the network computer.

Telephones that provide Internet access look much like ordinary screen phones. But with additional intelligence, often larger screens and more often small keyboards, these so-called smart, or enhanced, phones are taking on attributes of personal computers. Oracle has been describing a version of the network computer that is actually a smart phone. The three main com-

petitors in this new market are Northern Telecom, a unit of BCE Inc.; Philips, and the combined development forces of U.S. Order Inc. and Colonial Data Technologies Corp. They are lining up partners among the regional Bell companies.

As the market heats up, each company is taking a slightly different approach, adding features such as voice recognition, specialized interfaces and touch screens. But the makers of the enhanced phones point out that their devices are not yet intended to replace PCs or compete with network computers as Web-surfing tools.

It may be just as well. For one thing, their mostly text-only, black-and-white screens are typically one-quarter the size of a standard PC monitor.

So, at least initially, the smart phones will be best suited to utilitarian transactions, such as banking and making airline reservations, and to sending and receiving electronic mail.

"People are going to buy a smart phone," said John Backus, president and chief operating officer of U.S. Order Inc., "because it's the natural next phone you're going to have in your home." Instead of having one device or the other, the manufacturers expect that consumers will have a personal computer in the office or a network com-

puter in the den attached to the television set and an enhanced phone in the kitchen, where it will replace the conventional family phone.

Gerrit Schipper, president and chief executive of Philips Home Services, said the company's research had shown that consumers were not interested in using a telephone for Internet browsing. Berge Ayvazian, a senior vice president at Yankee Group, a consulting company, said many people underestimated the inherent advantages of using an enhanced phone to connect to the Web, compared with a network computer.

"The smart phone has a small screen, but the phone is a multifunction device, while the network computer is a narrow device, only for surfing the Web," Mr. Ayvazian said.

But the new phones are still a long way from becoming the preferred low-cost Internet access device. Providing a means of translating Web documents into information that can be viewed on the small screens is one of the biggest hurdles facing manufacturers.

Initially, users will dial in to intermediary servers to provide the translation. Eventually, however, translation will take place in the phone, Mr. Ayvazian said.

For example, Northern Telecom, or Nortel, a telecommunications com-

pany based in Canada, is developing a sophisticated phone that will use Sun Microsystems' Java language to translate Web pages into information that can be read on the small screen.

At least one more cycle of price cuts is expected. Enhanced phones today typically cost \$400 to \$500, though a few are already cheaper (Philips sells an Internet phone in the Netherlands for about \$350), and the phones can be leased for a few dollars a month.

But the price will have to come down to around \$250, analysts predict, before most consumers would embrace them as alternatives to conventional phones, which can cost less than \$20.

Nortel's phone is expected to sell for \$500 when it is released next year, but the company hopes eventually to sell it for about \$300, said Rock Faleit, president of Nortel Multimedia Communications Systems.

Philips has been testing its phones in Garden City, New York, where it delivered smart phones to the town's 7,500 households.

Initially, residents will use the phones to retrieve local information stored in Philips's own information service, and, while they will not be able to browse the Web, they will be able to send e-mail to friends on the system or over the Internet.

## VALLEY: Flying at Web Speed

Continued from Page 13

soon after to begin planning new products for the 133-megahertz version of the Pentium chip that Intel was set to introduce.

"How long would it take for Hitachi to have a complete computer designed around the chip?" Mr. Hancock asked the team of engineers he met there.

"By early May should be possible," the team leader answered.

Mr. Hancock began swearing at the group before counting. "How about by next Wednesday?"

The demand stunned the engineers, Mr. Hancock said. But by the following week, he had his new computer, and Hitachi was able to announce its new system in time for the new Intel chip.

The race is even more frantic in software.

Microsoft, whose software development, testing and marketing cycles have in the past stretched over two years, is now sprinting to keep up with Netscape, which established the model of giving unfinished versions of its software free to anyone who wanted to download them from the Internet.

"This market obsolesces itself every few quarters," said Eric Hahn, senior vice president of enterprise technology at Netscape, which has introduced three new versions of its Web-browser software, Navigator, since the company's founding in late 1994.

"Today a product that takes two years to develop is probably irrelevant," Mr. Hahn said.

Trying to catch up, Microsoft in the past year has introduced three versions of its competing software, Internet Explorer.

"It's like they just opened the border to Oklahoma and we're running in as fast as we can to get that choice piece of land by the river," said John Ludwig, the Microsoft vice president in charge of the company's Explorer Web-browser

development. So far, though, Netscape controls most of the waterfront property.

For Mr. Schmidt of Sun Microsystems, the struggle between Microsoft and Netscape is evidence of a new economy and a new set of rules.

"Market-share capture is now the leading measure of whether you're successful or not," he said. "This is different from classical markets in economics because of the nature of the medium of the Internet. You can make a million pieces of software for the same cost as one copy. It is that difference that distinguishes what we do from traditional manufacturing industries. They can't play this game."

No one knows how the game will end. Some analysts say the Internet boom is simply the latest phase for Silicon Valley, to be followed by a crash and the emergence of the next business model. But others argue that the Internet has brought profound and lasting change to the Valley.

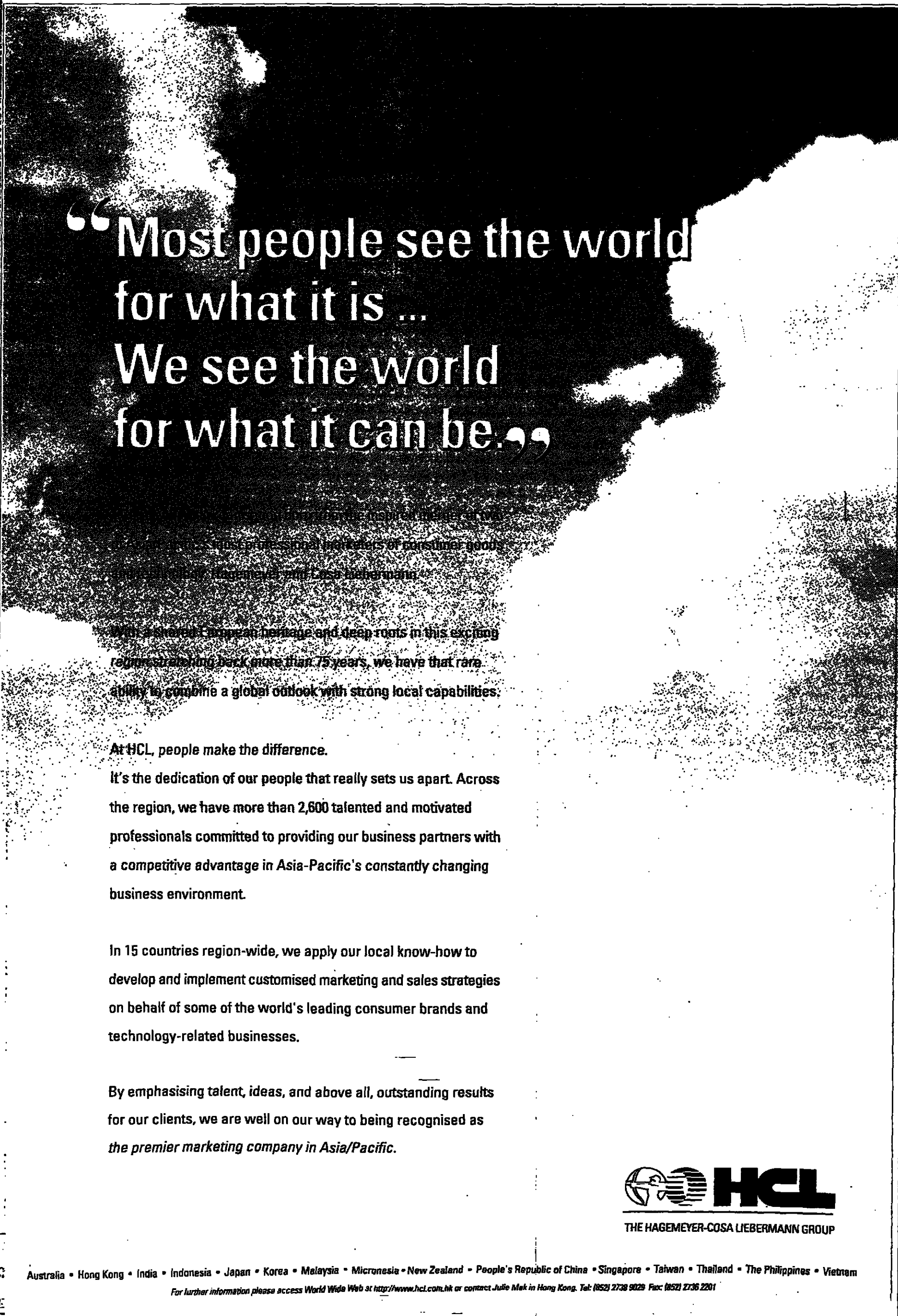
"This is as intense a time as I can remember," said Bill Duvall, an Internet pioneer who once was a programmer at SRI International and Xerox's Palo Alto Research Center.

Sixteen months ago, Mr. Duvall, his wife, Ann, and their friend Jay Friedland founded Surfwatch, a developer of Internet software designed to screen out pornographic material on the Web. In April they sold the company to Spyglass Inc.

Mr. Duvall, a long-distance runner when he has the time, described those 16 months as the intellectual equivalent of running a marathon. "You can't eat enough," he said, continuing the analogy. "You start burning muscle."

At Intel, Mr. Grove is still staying the course. But he says that living on Internet time is nothing like the comparatively leisurely early days of the PC industry.

"There is a remarkable amount of ferment in Silicon Valley now," Mr. Grove said. "It's wonderful — but it's also bewildering."



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COMPANHIA PARANAENSE DE ENERGIA - COPEL, informs that an international competition is open for the supply of 4 (four) isolated-phase Buses, 23.5kV - 60 Hz three-phase, with all accessories for the Salto Caxias Hydroelectric Power Station, located on the border of Capão Leão, Marquês and Nova Prata do Iguaçu counties, in the State of Paraná, Brazil.

The design, manufacture, shop tests, terminal and control boards, supervisory and protective devices, transportation from the factory to the jobsite, erection and commissioning supervision are included in the scope of supply.

This lowest price type International competition is open to individual companies and/or joint ventures.

The costs related to this supply will be covered by COPEL's own funds. The Instructions to Bidders and the Contract Documents will be available to bidders from May 31, 1996, until the day before the documents delivery date, against payment in Brazilian currency of R\$ 150,00 (one hundred and fifty Reals), at the following addresses:

Superintendência de Obras de Engenharia  
Rua Voluntários da Pátria, 233 - 5º andar - sala 504  
80020-000 - Curitiba - PR, Brazil  
Phone (55-41) 322-1212 - Ext. 5541  
Fax (55-41) 331-3268

or  
Escritório COPEL / São Paulo  
Alameda Santos, 1800 14º andar - conj. 14B  
01418-200 - São Paulo - SP, Brazil  
Phone (55-11) 289-1431

At the time of purchase of the Instructions to Bidders and the Contract Documents, the company shall present a letter containing name and phone and fax.

The receipt of the Qualification Documents and the Price Bids is scheduled for August 07, 1996, at 2:00 P.M., at COPEL's office meeting room, in Curitiba, 233 Voluntários da Pátria Street, ground floor.

The competition will be ruled by Brazilian Law No 8666, dated June 21, 1993, and by other conditions stated in the Instructions to Bidders and in the Contract Documents.

**COMPANHIA PARANAENSE DE ENERGIA**







NASDAQ

Monday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year. The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low Latest Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	100 Low	Latest	Chg
120.00	110.00	IBM	3.00	2.8	15	120.00	110.00	115.00	+5.00
100.00	90.00	Microsoft	0.00	0.0	15	100.00	90.00	95.00	+5.00
80.00	70.00	Apple	0.00	0.0	15	80.00	70.00	75.00	+5.00
60.00	50.00	Oracle	0.00	0.0	15	60.00	50.00	55.00	+5.00
40.00	30.00	Sun	0.00	0.0	15	40.00	30.00	35.00	+5.00
20.00	10.00	Novell	0.00	0.0	15	20.00	10.00	15.00	+5.00
10.00	5.00	Lotus	0.00	0.0	15	10.00	5.00	7.00	+2.00
5.00	2.00	Intuit	0.00	0.0	15	5.00	2.00	3.00	+1.00
2.00	1.00	Adobe	0.00	0.0	15	2.00	1.00	1.50	+0.50
1.00	0.50	McAfee	0.00	0.0	15	1.00	0.50	0.75	+0.25

Monday's 4 p.m.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year. The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low Latest Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	100 Low	Latest	Chg
120.00	110.00	IBM	3.00	2.8	15	120.00	110.00	115.00	+5.00
100.00	90.00	Microsoft	0.00	0.0	15	100.00	90.00	95.00	+5.00
80.00	70.00	Apple	0.00	0.0	15	80.00	70.00	75.00	+5.00
60.00	50.00	Oracle	0.00	0.0	15	60.00	50.00	55.00	+5.00
40.00	30.00	Sun	0.00	0.0	15	40.00	30.00	35.00	+5.00
20.00	10.00	Novell	0.00	0.0	15	20.00	10.00	15.00	+5.00
10.00	5.00	Lotus	0.00	0.0	15	10.00	5.00	7.00	+2.00
5.00	2.00	Intuit	0.00	0.0	15	5.00	2.00	3.00	+1.00
2.00	1.00	Adobe	0.00	0.0	15	2.00	1.00	1.50	+0.50
1.00	0.50	McAfee	0.00	0.0	15	1.00	0.50	0.75	+0.25

Monday's 4 p.m.

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FRANCE F.F.	1,950	590
GERMANY D.M.	700	210
GREAT BRITAIN £	210	65
GREECE Dr.	90,000	27,000
IRELAND E.I.R.	230	68
ITALY L.I.R.	510,000	153,000
LUXEMBOURG L.F.R.	14,000	4,200
NETHERLANDS F.	790	240
NORWAY N.K.R.	3,500	1,050
PORTUGAL Esc.	61,000	18,300
SPAIN Ptas.	35,000	10,500
SWEDEN S.Kr.	3,500	1,050
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WEST OF EUROPE ex C.B.	485	145
C.B.	750	225
UNITED STATES \$ U.S.	360	115

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NYSE

Monday's 4 p.m. Close

(Continued)

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## ASIA/PACIFIC

# Lender's Failure Hurts Nikkei

## Tokyo Stocks Fall 2% After Bankruptcy of Shinkyoto

Compiled by Our Staff From Dispatches

TOKYO — A Kyoto housing lender was declared bankrupt Monday in the largest business failure in Japan this year, pulling Tokyo's benchmark stock index down almost 2 percent.

The collapse of Shinkyoto Shinpan KK, which was declared bankrupt by Kyoto District Court, revived investors' anxieties about the Japanese financial system's ability to rid itself of close to 35 trillion yen (\$324 billion) of bad debt.

No doubt more Japanese non-bank lenders will go under this year, said Satsuki Akiba, a banking analyst at SBC-Warburg.

So-called nonbanks in Japan lend money borrowed from banks and other financial institutions but do not take deposits. Shinkyoto Shinpan's primary business was housing loans, though it is not one of the nation's seven failed bank-affiliated housing lenders, as most of its creditors were major banks.

Hideo Horie, manager of Bank of Japan's Kyoto branch, said the failure of Shinkyoto was unlikely to affect the business of other local financial institutions, as most of its creditors were major banks.

A Shinkyoto Shinpan executive did not specify the amounts of money the bank owed. But Teikoku Bank Ltd., a financial research company that specializes in bankruptcies,

put the housing lender's debt outstanding at 350 billion yen, comprising 120 billion yen in loans and 230 billion yen in housing loan guarantees.

Shinkyoto's major creditors are Nippon Credit Bank Ltd., with 10.4 billion yen outstanding; Sanwa Bank Ltd., with 7.3 billion yen; and Hokkaido Takushoku Bank Ltd., with 6.03 billion yen, according to Teikoku.

A spokesman for Sanwa declined to comment. Spokesmen for the other two banks said they could not make any immediate comment.

Although Shinkyoto Shinpan is not publicly traded, shares of other financial institutions fell, pulling the Nikkei 225 index down 367.67 points, to 21,588.52. More than eight shares fell for every one that rose.

Sanwa shares fell 70 yen, to 2,010. Nippon Credit shares fell 5, to 399 and Hokkaido Takushoku fell 4, to 288.

Other western Japan bank stocks also fell, including Hanshin Bank Ltd., down 62 to 644; Bank of Kanagawa Ltd., down 91 to 610; Fukuoka Bank Ltd., down 12 to 350; and Bank of Osaka Ltd., down 12 to 405.

Shinkyoto, along with other housing banks, grew rapidly by lending operating funds to smaller businesses and guaranteeing housing loans during Japan's speculative "bubble eco-

nomy" period of the late 1980s.

The bursting of the bubble and the ensuing economic slump led to a sharp deterioration in Shinkyoto's business performance. The bank posted a net loss of 10.2 billion yen in the year to March 1996, its second consecutive loss.

Separately, the Nihon Keizai newspaper reported that Shinkyoto Shinpan had not received interest payments on 73 billion yen of loans for more than a month.

(AP, AFP, Bloomberg)

## IBJ to Trim a Prime Rate

Industrial Bank of Japan Ltd. said it would cut its long-term prime rate next week because of falling interest rates on bonds, Bloomberg Business News reported from Sydney.

The bank will trim the rate because market yields on the bank's five-year debentures, from which the lending rate is calculated, have fallen, the bank's president, Yoh Kurosawa, said. He was in Sydney for the International Monetary Conference.

Industrial Bank of Japan calculates its long-term prime rate by adding 0.9 percentage point to the coupon rate of five-year debentures it sells monthly to institutional investors. That rate currently is 2.7 percent, the bank said, but a new coupon rate is due to be announced next week.

# Korean Official's Arrest

## Casts Pall Over Market

Compiled by Our Staff From Dispatches

SEOUL — The arrest of South Korea's top stock market regulator stunned Seoul's markets Monday, with jittery stock investors dumping shares over fears of another damaging corruption scandal.

Paik Won Ku, 56, was arrested and detained Sunday on charges of taking 110 million won (\$140,000) in bribes from 10 South Korean companies between October 1994 and March of this year.

The news pulled down prices on the Korea Stock Exchange, which fell 1.2 percent to close at 897.22 points.

Analysts said damage to the stock market and related companies could grow as more details about the case became known.

"The arrest news came at a bad time," said Yoo Nam Gil, an analyst with Hyundai Securities Co. "It will further hurt the stock market, which had already suffered from an economic downturn and a stock oversupply."

As director of the Securities Supervisory Board, Mr. Paik was responsible for ensuring the fairness of all areas of share listing and trading and the operations of securities houses and investment trust companies.

The office said Mr. Paik received 10 million won in bribes from Yuyang Information & Communication Co. in March for helping its shares be listed on the stock exchange in January.

"The investigation is certain to reveal more irregularities in the securities industry," said Yoo Yong Ju, researcher with the Samsung Economic Research Institute. "The industry has been known for such problems."

Of the other nine companies, only two were identified: Wooree Motors Sales Co. was charged with bribing Mr. Paik in connection with its acquisition by a watch maker, and Shin Jin Leather Co. allegedly paid him off after the company was accused of involvement in stock-price manipulation.

The office said two or three other officials at the country's top securities watchdog agency were still under investigation on suspicion of bribery.

Analysts said Mr. Paik's case highlighted structural problems in the securities industry.

"Because there are so many companies wanting to be listed and so few companies granted, there is temptation to bribe the securities authorities which review the requests," Mr. Yoo said.

(Bloomberg, Reuters)

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
12000	2500	23000
11500	2400	22000
11000	2300	21000
10500	2200	20000
10000	2100	19000
9500	2000	18000
9000	1900	17000
8500	1800	16000
8000	1700	15000
7500	1600	14000
7000	1500	13000
6500	1400	12000
6000	1300	11000
5500	1200	10000
5000	1100	9000
4500	1000	8000
4000	900	7000
3500	800	6000
3000	700	5000
2500	600	4000
2000	500	3000
1500	400	2000
1000	300	1000
500	200	0
0	100	0

Source: Teikoku

## Very briefly:

- Japanese telecommunications revenues surged to a record 10.03 billion yen (\$92.8 million) in the year to March, up 17.8 percent from a year earlier.
- South Korea revised foreign exchange regulations to liberalize its capital market, lifting the \$10 million ceiling on foreign-currency loans to nonresidents among other steps.
- Volkswagen AG suspended a project to create a joint venture in India to wait for a more stable political situation.
- Malaysia's Securities Commission said regulated short-selling on about 32 stocks was likely to be permitted soon.
- Indonesian stocks rose to a five-week high as PT Gudang Garam, a maker of clove cigarettes, surged 15 percent, to 10,950 rupiah (\$4.70), after a stock split.
- Japan's new car sales rose to 235,577 units in May, up 3.8 percent from a year earlier.
- Taiwan's central bank said overdue loans at financial institutions reached 3.36 percent of all outstanding loans at the end of March, up from 2.54 percent a year ago.
- Vietnam licensed 22 foreign-financed projects in the first five months of 1996 with a total investment capital of \$279.3 million, down 48 percent from the year-earlier period.

Bloomberg, Reuters, Knight-Ridder, AFP, AP

## Singapore Plans a Digital Network

SINGAPORE — The government said Monday it would build a multimedia network to deliver a potentially unlimited range of interactive services to its citizens.

Singapore plans to spend 82 million Singapore dollars (\$58.1 million) on the plan, called Singapore ONE. A pilot plan will provide 300 homes with high-speed access to the Internet and digital libraries. People will eventually be able to use the network to pay bills or apply for permits.

(AFP, Reuters)

# China Car War in High Gear

Bloomberg Business News

BEIJING — The automobile price war looks set to intensify as China's carmakers step up production even as demand slows, a senior engineer at the country's largest carmaker said Monday.

Although production of cars, trucks and buses in China rose 3.1 percent nationwide in the first four months of 1996, sales actually declined 1.8 percent.

"Competition is getting fiercer and fiercer" on engine demand from state-owned enterprises, said Guo Zhenhua, an engineer at Shanghai Automotive Industry Corp.

Shanghai Automotive, which makes the Santana model in a joint venture with Volkswagen AG, will increase output to as much as 200,000 units this year, up 25 percent from last year, Mr. Guo said.

The company's first priority is to improve performance and reduce costs before cutting price, he added. Santana sales account for about 50 percent of China's domestic car market.

The official Business News said China planned to continue cutting car prices to reflect falling production costs, lower import tariffs and the increased use of Chinese-made components.

At the start of this year, Shanghai Auto's joint venture with Volkswagen AG, Shanghai Volkswagen Co., cut the price of one of its Santana models by 10.4 percent, to 139,295 yuan (\$16,689). Prices for other Santanas were reduced by 7 percent to 9.4 percent.

"This is going to be a year of adjustment," said Klaus Luttmann, Beijing-based senior manager of sales at Volkswagen AG.

# Investors Are Wary of China's New Issues

Reuters

SHANGHAI — China's stock markets could plunge if the pace of new listings is not slowed and if companies of questionable quality are allowed to issue shares, traders and analysts said Monday.

"Since the start of this year, especially since early May, Beijing has speeded up market expansion," a trader with China Guotai Securities

said. "New issues and listings have sucked out most of the market's liquidity, which is still limited."

A trader with Shanghai International Securities said that about half of the concerns that were allowed to list this year were "secondary companies." He added that this had "contradicted the government's promise to introduce more high-quality companies."

Some market participants said officials should have learned from the rapid expansion of the first half of 1994, when the market hit record lows, prompting Beijing to temporarily ban new share issues.

After a stock market boom in late 1992 and 1993, officials allowed about 50 companies to list in Shanghai in the first three months of 1994, causing the A-share index to plunge more than 70 percent. That prompted Beijing to ban new issues from late July 1994 to May 1995.

In the first five months of this year, 700 million new shares entered the Shanghai market, and 200 million more are on their way. Last year, only 550 million shares were listed in all of China.

Stock analysts said Beijing had allowed a rapid series of new issues partly because of lower inflation in China, which was thought to have bolstered investors' confidence.

# Sony to Make Movies Portable

Compiled by Our Staff From Dispatches

TOKYO — Sony Corp. said Monday it would launch a portable videodisk player that would allow individual viewing of movies.

The PLM-50 Glasston, to be introduced in Japan on June 21, will feature a display monitor contained in special headgear and will play

images from a videocassette recorder or a video compact disk player, using liquid crystal glasses. Stereo earphones will relay the sound.

The player will measure 20 centimeters (7.9 inches) by 12 centimeters by 26 centimeters, weigh 310 grams (11 ounces) and cost \$8,000 yen (\$816).

(AFP, Reuters)

## NYSE

Monday's 4 p.m. Close (Continued)

IBM	100.00	MSFT	45.00	ORCL	25.00	INTC	15.00	QCOM	30.00
HPQ	20.00	AMD	10.00	TXN	12.00	WMT	40.00	DIS	25.00
BA	35.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GE	25.00	DU	10.00	CVX	45.00	BP	30.00	AMT	15.00
MO	20.00	W	10.00	PG	25.00	KO	20.00	PFE	15.00
MRK	30.00	ABB	10.00	MDA	15.00	TRW	10.00	GM	20.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
GM	20.00	F	15.00	GM	20.00	F	15.00	GM	20.00
F	15.00	GM	20.00	F	15.00	GM	20.00	F	15.00
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## In Vienna For Business

WHEN LOOKING AT VIENNA's present or future, its past must always be kept in mind. At the turn of the century, some 2 million people lived there, and it was the world's fourth-largest city. Since then, it has lost at least half a million inhabitants. Vienna was also the capital of an empire that dated from the 1200s and at its height covered most of Central Europe. The imperial grandeur of the Hapsburgs remains only in the architectural sense; the empire's power evaporated long ago.

After World War II, the victorious Allies occupied Austria, and the Viennese experienced the full, grim force of a marauding Red Army out for the spoils of victory. Not until 1955 was Austria allowed to become an independent state, and then only on the condition that it remain neutral.

Austria is playing an important role in the development of Central and Eastern Europe. In particular, the dynamism of its industrialists illustrates the importance of private trade relations in the restructuring of the former communist economies. Viennese bankers, hotel builders, beer salesmen and engineers fill planes and trains traveling to the East.

The Viennese are nothing if not resilient. Over the centuries, what is now Austria has been invaded by the Romans, the Huns, the Slovenes, the Turks, the Germans and a great many other peoples. Austria's former role as a battlefield is the result of its geographical position, which gives it borders with no fewer than six countries. One joke has it that "Vienna is where East thinks it's West - and vice versa." A paradox is that this once imperial but still cosmopolitan city has a provincial air, from the secretaries in their traditional, tight-waisted dirndl skirts to people settling into their midafternoon coffee with cream and rich pastries as though cholesterol had never been discovered. Note, too, the common use of the expression "Grüss Gott" ("God's greetings") - a distinctly old-fashioned usage.

This provincial air is misleading, however. Vienna's banking and business executives are internationalists to a man (there are few female executives in the upper ranks). They trade with anyone who offers a good deal.

An outpost of the Western world in the East after World War II, Vienna today seeks to be the center of gravity of another Europe, more open and vast. For this, it will draw upon old ties in Central and Eastern Europe and the presence it established well before the collapse of communism.

### At a Glance

The heart of Vienna is within the Ringstrasse, an inner ring road lined with former palaces. Most of the city's political, economic and cultural life flows around the Ringstrasse. At one end are the stock exchange, the university, the Burg Theater, the Rathaus (city hall) and Landmann, one of the great coffeehouses. In the middle is the Opera, a city within the city, with its great performances and disputes of operatic intensity over their merits. Within the Opera neighborhood, the

most important names to note are Kärntnerstrasse and Stephansplatz, both around the cathedral, and the Graben, with its cafés and bookstores. Most of this neighborhood is now one huge pedestrian zone, wonderful for quiet explorations of the many architectural splendors but an obstacle if one has an urgent appointment on the other side. The traditional streetcars and the newer subway overcome most obstacles.

### Getting Around

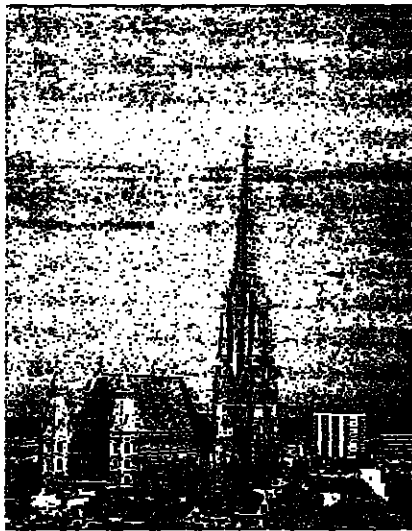
There is the very clean and extensive U-bahn subway system, and everyone - from government ministers to the women who clean their offices - uses the old-fashioned streetcars along the Ring. You can buy strips of tickets at *Tabak Trafik* (cigar stores).

The Viennese don't like using taxis, which are expensive. Tip cabbies about 10 percent of the metered fare.

A quaint and fun way to get around if you're not in a huge hurry is by *fiaker*, a horse-drawn carriage. *Fiaker* stands dot the inner city.

### In a Word

The official language is German, but even Germans need a glossary and a keen ear to understand Viennese dialect. English is gaining ground as the business language of this



cultural and geographical crossroads between Western and Eastern Europe. The city's name in German is *Wien*.

### Wining & Dining

One of Vienna's legacies of empire is a cuisine that runs the gamut from Bohemian (in the geographical sense) to Italian. *Powidatschkerln* (plum jam pastries) originated in old Bohemia, now part of Czechoslovakia; goulash and other spicy dishes came from Hungary; and the famous *Wiener Schnitzel* was invented in Milan. *Tafelspiz* (boiled beef) is another specialty. And then there are the famous pastries. Vienna has at least four categories of dining establishments:

- *Elegant restaurants* for local and visiting people with deep pockets or expense accounts.
- *Beisl* (from the Yiddish), simple and relatively inexpensive taverns found all over town.
- *Coffeehouses*, where people go to eat, talk, think, read the papers and play chess or billiards.
- *Heurige* (new wine) taverns on the edge of the city.

City dwellers would almost certainly add pastry shops, a Viennese institution, of which the most famous is Demel, 14 Kohlmarkt. In a completely different category are the *Würstlstand*, or sausage stalls. Always good, and now somewhat chic, these are seen as a barrier against

U.S. fast-food chains. A 15 percent service charge is usually added to the restaurant check, but it's customary to round this off to about 20 percent.

Here are a few recommended restaurants:

**Do & Co.**, 12 Stephansplatz. Tel.: 535-3969. Atop the modern Haas Haus office and shopping building, with a view of the cathedral. The cuisine is a mixture of East and West.

**Drei Husaren**, 4 Weihringstrasse. Tel.: 5121-0920. Many generations of leading Viennese families have eaten here, making this one of the oldest and most distinguished restaurants. An institution.

**Figlmüller**, 5 Wollzeile. Tel.: 512-6177. A favorite for the local schnitzel and potato salad.

**Gulaschmuseum**, 20 Schillerstrasse. Tel.: 512-1017. A very wide variety of Hungarian goulash dishes, including one with mushrooms.

**Korso**, Hotel Bristol. Tel.: 515160. A hotel restaurant in the grand style that leans toward French nouvelle cuisine. Immaculate service. Located across from the Opera.

**Salzamt**, 1 Ruprechtstrasse. Tel.: 533-5332. A very lively front bar with a back dining room packed with media and advertising people. Food is good, too.

**Steierisch**, 2 Rasumofskygasse. Tel.: 7133168. Regional and modern Austrian dishes, and excellent wines and service. Government ministers and leading bankers and business executives are to be seen here. Some regard it as the best in town.

Coffee-drinking is a way of life in Vienna. The inhabitants' passion for the drink dates from the Turkish invasion and occupation, which didn't end until 1683. The best coffeehouses are city landmarks, and many have historical associations.

**Trotzky drinking** incognito in the Café Central; Orson Welles at the Mozart; Freud, Marlene Dietrich and notorious spies at the Landmann. **Bräunerhof**, 2 Stallburggasse. Tel.: 512-3893.

**Diglas**, 10 Wollzeile. Tel.: 512-8401.

**Frauenhuber**, 6 Himmelstorgasse. Tel.: 512-4323.

**Hawelka**, 6 Dorotheengasse. Tel.: 512-8230.

**Korb**, 9 Brandstätte. Tel.: 533-7215.

**Landmann**, 4 Dr. Karl Lueger Ring. Tel.: 532-0621.

**Mozart**, 2 Albertinaplatz. Tel.: 513-0881.

### Calling Around

Country code: 43. City code: 1. Note that some phone numbers have only four digits while others have up to eight.

- **Ambulance**: 144.
- **Car breakdown**: 120 or 123.
- **Doctor**: 141.
- **Pharmacy service**: 1550.
- **Police**: 133.
- **Airport flights**: 711102231 or 711102232.
- **Chamber of Commerce**: 501050.
- **Danube boats**: 21750451.
- **Trains**: 1717.
- **Tourist Board**: 21114 or 513-8892.

Excerpted from the "International Herald Tribune Guide to Europe" (third edition, NTC Publishing) by Alan Tiller and Roger Beardwood.

## ROYAL ELEGANCE FROM THE LUXURY COLLECTION IN VIENNA

VIENNA IS FULL OF PALACES, and two of them, the Hotel Imperial and the Hotel Bristol, are part of The Luxury Collection, a unique assembly of 48 of the most exclusive hotels in the world recently brought together by ITT Sheraton.

Few hotels match the grandeur of the Imperial, once the palace of the Duke of Württemberg. In 1894, it had the great honor of being named the best hotel in the world by Condé Nast Traveler. Everyone feels like royalty entering its breathtaking lobby - the magnificent marble-lined grand staircase is graced with statues, oil paintings and crystal chandeliers.

Considered one of the finest examples of Viennese architecture, the Imperial was inaugurated as a hotel by the Emperor Franz Joseph I for the World Exhibition in 1873. The hotel was recently restored to its original glory, right down to the smallest details that define luxury, without neglecting the modern accommodations.

The Austrian Empire may be long gone, but guests at the Imperial can still count on being treated like royalty by its solicitous staff. The concierge staff is available to make all the arrangements necessary to

**A Suite Deal for Summer in Vienna**  
Enjoy Vienna this summer and take advantage of favorable weekend rates that now extend to all seven days of the week.

• Upgrade to an elegant suite at no extra charge.  
• Complimentary breakfast.

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Call ITT Sheraton Reservations or your travel agent and ask for the Vienna Luxury Summer offer. Some restrictions apply.

experience the rich cultural and social life of the city. Groups can take advantage of conference programs that include cultural activities and special meals.

The Imperial has 128 rooms, including 32 suites. Its fine restaurant serves traditional cuisine of the

former Austrian Empire, and there is also a piano bar and a café, where guests can sample sinfully rich Viennese pastries, including the world-renowned Imperial Torte.

The fin de siècle Hotel Bristol is paradise for traveling executives, offering traditional elegance and pampering service to its guests. There is a chauffeured limousine service, and the Bristol Executive Club offers an exclusive lounge and bar to its guests, who will find a selection of international newspapers at their disposal. Some of the guest rooms and theme suites face the Opera House, which is located right across the street, and the concierge staff can arrange tickets for performances and other cultural activities.

One of the Bristol's two restaurants, the renowned Korso, has a well-deserved reputation as the best restaurant in Austria. The hotel has 142 rooms, and its luxurious penthouses and 13 theme suites make

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it one of the most coveted addresses in Vienna. It also boasts a café, a bar and live musical entertainment, as well as 24-hour room service.

ITT Sheraton also offers the two best hotels in the musical city of Salzburg: the historic Hotel Goldener

Hirsch and Sheraton Salzburg Hotel.

**Hotel Imperial**: Kärntner Ring 16, A-1015 Vienna. Tel.: (43-1) 50110-0. Fax: (43-1) 50110-410.

**Hotel Bristol**: Kärntner Ring 1, A-1015 Vienna. Tel.: (43-1) 51516-0. Fax: (43-1) 51516-550.



## Grand European weekends last longer at Luxury Collection hotels

(Even our rates relax)

You may have dreamed about a memorable European weekend...

The Luxury Collection makes your dreams come true. The Luxury Collection Weekend Programme provides the perfect opportunity to experience the pleasure of Europe's finest hotels at prices lower than you ever imagined. For example the Hotel Excelsior in Florence for as low as LIT 280,000 to the Grand Bretagne in Athens for just \$195.

### Special Summer Offer

And to top it off this summer, from June 28 - September 7, 1996, selected Luxury Collection hotels are offering these super weekend rates every day of the week. Enjoy the elegant Prince de Galles in Paris and Italy's loveliest hotels, including the Danieli in Venice, the Excelsior in Rome and many more. And to make your experience in luxury complete you'll be welcomed with a complimentary cocktail, enjoy a sumptuous breakfast buffet and be given a complimentary bottle of wine when you dine at the hotel. And to make your weekend last even longer you may check out as late as 6:00 p.m. on your day of departure. And should you want to call home, ITT Sheraton is proud to offer access to the AT&T network for reliable AT&T services at reasonable prices.



Call us toll free in the U.K. 0800-353535, Germany 0130-853535, France 05-906535, Belgium 0800-13535 and Italy 1678-35035. Or contact your travel professional and ask for The Luxury Collection Weekend Programme.



### THE LUXURY COLLECTION™

ITT SHERATON

#### EUROPE:

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The Luxury Collection Weekend Programme is valid from Friday to Sunday through March 1997, with a required minimum length of stay of 2 nights. From June 28 - September 7, select hotels offer the rates and benefits 7 days per week with a required minimum stay of 2 nights. All rates and conditions are subject to availability and are subject to change without notice. The Luxury Collection Weekend Programme is not applicable to groups and may not be combined with any other special offers.

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### Next Location

COSTA SMERALDA



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# VIENNA

GATEWAY TO THE EAST

## THE CHANCES FOR VIENNA IN THE NEW EUROPE

The city is an enthusiastic proponent of the European Union's eastward expansion and proposes to be a catalyst in the process.

With the fall of the Iron Curtain in 1989, Vienna's geography shifted politically and economically from a marginal location at the eastern fringe of Western Europe to a central position in the heart of a thriving continent.

Since Austria's accession to the European Union in 1995, the country's comparatively small capital (with a population of 1.6 million) has been happily on the way to becoming a key metropolis not only for 300 million EU citizens but also for an even greater number of people living in the former Soviet-bloc states of Central and Eastern Europe, which are trying with varying degrees of urgency to establish links with the prosperous West.

As the economic center of the republic, Vienna, with only one-fifth of the total Austrian population, now accounts for almost one-third (700 billion schillings, about \$65 billion) of the country's gross domestic product, and the share is growing. In May, Vienna ranked fourth among the nearly 200 EU regions in per capita income, behind Hamburg, the Ile de France and Darmstadt.

The hub of Central Europe Vienna's new position presents many opportunities as well as several potential pitfalls. On the positive side, Vienna could assume a role as the focus of an integrated Central European industrial and business region as well as the central point of reference for "reforming" countries that want to join the European Union. Several multinational companies — including Coca-Cola, Grundig, IBM, Philips and Siemens — have already established their headquarters for Eastern European activities in Vienna, and an estimated 4,000 enterprises from Eastern Europe have settled in Austria, most of them in and around Vienna.

A possible negative effect arises from the low-wage suction for manufacturing enterprises exercised by countries to the east. In the interests of long-term harmony, Austria is therefore supporting the EU INTERREG program to

structuring of Europe and, above all, the extent of the EU's expansion to the East.

Vienna has seized the initiative on several fronts to stake a claim to leadership as the future hub of Central Europe at a time when se-

sound refuse-incineration plant utilizing Viennese technology. In a similar initiative, Austrian know-how has been accepted for the building of a flood-protection system for the Thai capital, Bangkok, along the lines of the



An Autobahn sign showing routes to nearby foreign capitals makes clear Vienna's advantageous position in Central Europe.

eliminate the economic and social discrepancies between the eastern provinces of Austria (Vienna included) and the neighboring areas of southern Bohemia and Moravia, western Slovakia and Hungary.

"Vienna has a vital interest in central political concepts such as European Union, the reform process in neighboring countries and the reconstruction of Bosnia," says Hannes Swoboda, city councillor for external relations. "As a European metropolis and international city, it can offer possible solutions and assistance." Mr. Swoboda admits, however, that there is a slight problem in "selling" the city as an international metropolis to a somewhat skeptical populace that still has to be convinced about the benefits of EU membership.

Vienna advocates undertaking the planned expansion of the EU to the east as rapidly as possible, but as slowly as necessary, with phased networking of East and West. With this in mind, Mr. Swoboda has proposed the holding of a new "Congress of Vienna" within the framework of Austria's EU presidency in the second half of 1998. The central issues of such a congress would be the re-

rious consideration is being given to growth of the union. In May, the city opened its own bureau in Brussels with a view to maintaining regular access to the union's decision-making processes and to presenting Vienna as a vital Central European metropolis for society, the arts and business.

Further east An earlier, possibly more visionary start was taken along similar lines by establishing a permanent presence for the city in the Far East. Vienna opened representative offices in Tokyo in 1986 and in Hong Kong in 1995.

Whereas Japan is traditionally seen as a major factor in Austrian musical life and tourism, business relations between Austria and Hong Kong are gaining in importance. On a visit to the British crown colony hardly a year before its reversion to China, Rudolf Edlinger, Vienna city councillor for economic affairs, expressed confidence in Hong Kong as the most important gateway to the huge mainland market.

In particular, a Memorandum of Understanding has been signed between Vienna and Beijing on the construction in the Chinese capital of an environmentally

so-called "Danube Island" in Vienna.

Far Eastern and Southeast Asian enterprises now have at their disposal efficient access to Central European destinations for passengers and freight thanks to the nonstop flights of carriers Austrian Airlines and Lunda Air from Bangkok, Beijing, Osaka, Saigon, Seoul and Tokyo to Vienna International Airport.

David Herziges

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## A BRIDGE TO THE WEST

Vienna's mayor, Michael Häupl, sees his city not only as a gateway to the East but also as a bridge to the West for Central and Eastern European countries seeking membership in the European Union.

The swing from dictatorship to democracy that former Soviet-bloc countries in the region experienced during the first half of the 1990s gave rise to ambivalent feelings in the Austrian capital. On the one hand, the upsurge in the economy was welcomed. On the other, a degree of xenophobia became apparent, with a reluctance to accept immigration from the East. This has now been overcome, says Mr. Häupl, and Vienna continues to welcome non-EU *Gastarbeiter* (guest workers), although the number allowed in will be limited.

The old Golden Triangle in Central Europe — Vienna, Prague and Budapest — never ceased to be a reality, and ties with neighboring capitals flourished even during the days of

communism. Contacts were consciously fostered at people-to-people levels, with regular exchanges of youth groups, musicians, artists and athletes.

At the intellectual level, a free flow of ideas was encouraged in city-sponsored forums. These were given extensive coverage in the media, thanks in good part to then-Mayor Helmut Zilk, with his powerful television presence. City-to-city links remain strong. For example, as Mr. Häupl points out, relations between Vienna and Bratislava are better than the state-to-state relations between Austria and Slovakia.

Austria now supports EU applications by the Czech Republic, Hungary and, later, Slovenia. Former dissidents in Central and Eastern European countries were in constant contact with Vienna: some of them are now prime ministers and mayors — and one, Vaclav Havel, is a head of state.

D.H.



Mayor Michael Häupl (left) of Vienna is welcomed to Prague's Hradcany Castle by President Vaclav Havel (center) of the Czech Republic and Mayor Jan Koukal of Prague.

## EASTERN ARTISTS WELCOMED

Vienna-based KulturKontakt organizes cultural exchanges and cooperation.

Vienna's cultural identity has long been linked with Central and Eastern Europe. Hungary, the Czech Republic, Slovakia, Slovenia and Croatia were all once ruled from Vienna, when it was the seat of the Habsburg empire. Even the world wars and the subsequent East-West political divide could not sever the cultural ties between Vienna and its former realms.

Today, the Austrian capital helps keep this bond alive by hosting cultural exchange projects that are designed mainly to develop and promote the talents of Central and Eastern European artists and culture-management professionals — while enhancing Vienna's and Austria's understanding of the art world in the region.

One of the most prominent organizations responsible for these programs is the Vienna-based KulturKontakt. Funded with 40 million schillings (\$3.7 million) from the Austrian Ministry of Science, Transport and the Arts as well as the Ministry of Education and Cultural Affairs, KulturKontakt carries out activities across Central and Eastern Europe (CEE), from Austria to Russia and from the Baltics to the Balkans.

The organization regularly sponsors visits by CEE artists to Vienna, where they practice their craft for three to six months. The artists use KulturKontakt's two guest studios and apartment free of charge and are provided with a monthly stipend. At the moment, playwright Dzevad Kerahasan, a refugee from Bosnia, is in residence.

Bosnia has great importance for KulturKontakt. In addition to sponsoring Mr. Kerahasan, the organization provided 250,000 schillings for the Symphony Orchestra of Sarajevo in conjunction with its performance in Vienna last December. Invited by Vienna's mayor, Michael Häupl, the orchestra played to a full house at the Raimund Theater and was conducted by Charles Ansbacher, husband of the U.S. ambassador to Austria.

D.H.

Swanee Hunt. The KulturKontakt money has helped purchase new instruments for the orchestra, which suffered heavy losses — of members as well as of instruments — during the war in Bosnia-Herzegovina. KulturKontakt is also organizing Bosnian Cultural Weeks, set to open in Vienna this September. For two weeks, Bosnian films, art exhibits and concerts will be featured in theaters and galleries in town.

In the Czech Republic, painters are particularly welcome at the Schiele Center in the Renaissance Bohemian town of Cesky Krumlov. KulturKontakt financially supports the center, an artists' retreat named after renowned Austrian Jugendstil painter Egon Schiele, who often worked in the town (also the birthplace of his mother, Marie). Guest studios for Austrian artists are paid for by KulturKontakt, and the organization sponsors artists' stays there on a regular basis.

KulturKontakt helps fund various publications in the CEE region, such as the fine arts magazine *Balkans* in Hungary. KulturKontakt cofounded *Balkanmedia*, a publication dedicated to the media industry in Southeastern Europe. Published in Sofia, Bulgaria, the English-language magazine has a circulation of 3,000 and features articles by journalists from various Balkan countries.

"In one issue, you may find articles by Serbian, Bosnian and Croatian writers," says Annemarie Türk, who is in charge of culture and sponsorship activities at KulturKontakt. "Even during the Bosnian war, articles were sent in from Sarajevo. Publication never slowed or ceased then." The editor-in-chief of *Balkanmedia*, Rossen Milev, attended a KulturKontakt cultural-management course in Vienna before starting up the magazine in 1990.

Other areas in which the organization participates include the translation of East European writers' works into German and the support of alternative art and performance groups, such as Saint Petersburg's Pushkinskaya Desjat, whose members exhibited their films, music, paintings and photography in Vienna's progressive Werkstätten und Kulturhaus cultural center last year.

"This is Austria's chance to develop new and better relationships with Eastern Europe," says Ms. Türk. "A chance within the context of a New Europe. And Vienna is right in the middle, between East and West. It's an interesting geographical point for Eastern European artists."

Darrel Joseph

## MIDDLE EUROPE'S TRANSIT HUB

Vienna's privileged position offers opportunities.

Two statements of fact from which contrary conclusions can be drawn characterize the current transport situation in and around the Austrian capital:

• Vienna is within two hours' flying time of eight major European cities.

• Austria's borders with four countries (six if you include Switzerland and Liechtenstein) also form the border of the European Union.

Advantages or disadvantages? It depends on how you look at it. While Vienna's location makes it an ideal transit point between Western and Eastern Europe, Austria's position as an outpost of the contiguous EU bloc means that the strictest frontier controls will have to be exercised from July 1, 1997, when the country's membership in the Schengen agreement on open borders becomes operational.

Airport improvements It is true that from Vienna International Airport (VIE) at Schwechat, there are excellent links to the outside world.

Getting to VIE itself from the city center is another matter, and total travel time for a two-hour

flight might be double that. Upgrading the regional railway line from Vienna to VIE should help solve the problem. Plans to do so — part of an overall improvement in the Vienna-region transport network — have been approved, and financing has been secured.

At the airport itself, a second arrival pier has just come into operation as part of a scheme that will enable the airport to accommodate 23 million passenger movements a year by 2015. But Schengen requirements will inevitably slow down average transit times.

### Road traffic

For road users, things eased greatly in March with the completion on the Hungarian side of the border of a high-capacity frontier terminal and of the highway to Budapest, making a two-and-a-half-hour journey from Vienna feasible.

The negative aspect of the road picture is the ominous increase in heavy-transit traffic, which threatens to make the Vienna region resemble the north-south route's tail-to-tail truck trail through Tirol, with all its deplorable environmental



A computer-generated view of the new pier at Vienna International Airport. The new pier is part of a plan to allow the airport to handle 23 million passenger movements a year by 2015.

side-effects. Attempts to switch freight movements from road to rail on a large scale have so far proved of little avail and are likely to remain so until long-overdue major extensions are made in railway services to Central and Eastern European destinations.

Waltzing on the Danube Developments in river traffic, however, are overwhelmingly positive. Although the historical — but loss-making — Danube Shipping Company ceased operating last year under the red-white-red banner of Austria, the formerly

state-owned passenger ships are now plying the river under a private, partially Vienna-owned company flag.

As far as freight goes, the municipality's Vienna Harbor enterprise, with Europe's largest inland container terminal, is benefiting from the once-again fully operational Rhine-Main-Danube waterway following the lifting of the trade embargo with the ramp state of Yugoslavia. Throughput is booming thanks to the presence of 32 freight-handling enter-

prises, including four specializing in road vehicles. Direct business links have been established downstream with Bratislava's port and with Belgrade, which is using Vienna Harbor know-how in container handling.

D.H.

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## SPORTS

# Kemp Propels Sonics Over Jazz Into Finals

## As Mighty Bulls Await Showdown, Seattle's 'Nightmare' Is Imminent

By Tom Friend  
New York Times Service

SEATTLE — The Seattle SuperSonics, who have been the most psychologically fragile team in basketball, found a most serene forward on Sunday: Shawn Kemp. He joined the National Basketball Association out of high school, but officially reached adulthood on Sunday afternoon. He scored a game-high 26 points, including four fluid, free throws in the final 77 seconds, and the Sonics advanced to the league finals for the first time since 1979 with a 90-86 victory over the Utah Jazz.

Next on their plate is the Chicago Bulls, who will have had nine days off when the championship series begins on Wednesday at the United Center. "My nightmare is just beginning," said the Sonics' coach, George Karl.

The Jazz's star forward, Karl Malone, said: "I missed too many shots." He finished with 22 points and only a handful of rebounds. John Stockton, of all people, led the team in rebounding with eight, but no one could derail Kemp (14 rebounds) from the basketball.

"You may not believe me, but we're going for it again next year," Malone said.

Malone's finger roll with 32 seconds left pulled Utah within 87-86, but the Sonics were not about to run a detour. The ball was going to Kemp and only Kemp, and he drew a bumping foul quickly on the slim Greg Foster. His two free throws were fluid and true, and the Sonics held an 89-86 lead with 13.9 seconds left. Utah called one more timeout, and tried drawing up the three-point bomb of its life.

Instead, out of habit, Stockton and Malone ran the millisecond pick-and-roll play of their career. Malone was fouled with 8.2 seconds left, but his first free

throw slammed off the back rim. After a 20-second timeout, he found the back rim again. Hersey Hawkins rebounded and was hacked.

Seattle was lounging on its couch with an 85-77 lead — with 5 minutes 27 seconds remaining — until its half-court offense went south. The Sonics went one for their next seven, and forward Detlef Schrempf was whistled for traveling en route to an easy lay-up.

So the window was open for the Jazz. Malone and Antoine Carr scored inside baskets, and Stockton's three points reduced it to 85-84 with 1:50 remaining.

The Sonics had led three points at halftime. Utah was still within 58-57 with 5:52 left in the third quarter, but a 13-3 Seattle run had the Jazz on a respirator. Hawkins, who had been hyperventilating all series long trying to chase Jeff Hornacek, finally got his revenge. His three-point shot gave Seattle a 71-60 lead and the period ended with a 73-67 Sonics advantage.

The first half was played at Utah's crawling pace, and it had the Sonics coaches beside themselves. Karl incessantly asked his team to hurl an outlet pass, but Seattle did not have a fast-break point by intermission. If not for Kemp, Seattle would have been lapped, but the power forward amassed 16 points and 7 rebounds in the half, and continued to be the Sonics with chronic energy.

Gary Payton, the team's other go-to guy, sleepwalked through most of the half, but did score five late points to give the Sonics a 44-41 lead at the break. Malone, meanwhile, did not score a point until the game was 10 minutes old. He missed his first three foul shots (as the crowd mockingly counted to 10 while he took his sweet time on the foul line) and perhaps nerves were ruining his release.

As for Karl, he had had his feet kicked up in his office beforehand. If he was having trouble breathing, it did not



Bryon Russell of the Jazz, center, fighting for a rebound with two Sonics.

show, and he had not even prepared a pep talk.

"After five years with this team, they've heard it all," Karl said. "This is like the 490th game. Don't know how many quotes I can dig up."

"What am I going to tell them? A little bit of shock therapy. I'll turn off the game tape, tell them we know the heck what we're doing, and I'll tell them, 'Kick some tail.' That's all."

But the inherent problem with the

Sonics is leadership. Their two pre-eminent players, Payton and Kemp, have enigmatic tendencies, so it has usually been up to Karl to be coach, leader, vice principal.

"I almost choked Saturday night when I heard Jaromir Jagr of the Penguins say he hates Game 7's," Karl said. "Come on, Game 7's are for men."

"You don't sleep the night before, you just kind of sigh and look at the clock," Karl said.

# Colorado Versus Florida? A New Name on an Old Cup

By Len Hochberg  
Washington Post Service

PITTSBURGH — And now for that traditional rivalry in the Stanley Cup finals: Colorado vs. Florida. Colorado vs. Florida? Just three years ago, there were no Panthers in Miami. Just last year, there was no Avalanche in Denver.

Such is the changing landscape of the NHL, brought about by expansion and franchise relocation. This is the league's first title round between first-time finalists since its inaugural season in 1917-18. The Panthers had never been in the playoffs before. The Avalanche, which moved from Quebec City after last season, had never advanced this far even as the Nordiques, a World Hockey Association outfit that was absorbed into the NHL in 1979.

Florida, fresh off its stirring 3-1 win over the Penguins in Game 7 in Pittsburgh on Saturday, and Colorado, which completed a six-game upset of the Detroit Red Wings on Wednesday, meet in the 79th NHL finals beginning Tuesday at McNichols Arena in Denver.

Florida continued its postseason surge by finishing off Mario Lemieux and the high-powered Penguins. The Panthers eliminated the East's top seed, Philadelphia, in six games, then the No.

2 seed, Pittsburgh. As has been well chronicled, they have no stars, except for goaltender John Vanbiesbroeck.

"I read so much how the Panthers' president, Bill Torrey, formed the New York Islanders in the '70s," said Brian Skrudland. "He started from his goaltender out, his defense, then his forwards. He had the same philosophy here."

The Panthers were the most successful first-year club in NHL history, with 33 wins and 83 points. They missed the playoffs by one point in each of their first two seasons.

This season, "we thought coming out of camp we had a pretty good team," said rookie coach Doug MacLean. "Did I expect to go to the Stanley Cup finals? It's caught me a little bit off guard."

**Lemieux Suspended for Hit**

Claude Lemieux, the agitating right wing on the Colorado Avalanche's top line, has been suspended for the first two games of the Stanley Cup finals by the NHL for a rough check in Game 6 of the Western Conference finals. The league blasted him for a "cheap shot" that "appeared premeditated." Last Wednesday, in the deciding game of the series, Lemieux checked Detroit's Kris Draper from behind. Draper suffered a broken nose, jaw and cheekbone.

## Where to Watch the Stanley Cup on TV

The 1996 Stanley Cup Finals shall be televised in more than 140 countries worldwide, according to ESPN International and the National Hockey League. The following is a partial list of these countries and the appropriate broadcasters. Please check local listings for the time and date of the telecast in your area.

EUROPE	ASIA
Finland: NBC SuperChannel	Australia: ESPN
Belgium: RTR	China: ESPN
Belgium: SuperSport	Hong Kong: ESPN
Czech Republic: FilmNet/Czech TV	Japan: WOW-WOW/JSC
Czech Republic: FilmNet/Czech TV	Kazakhstan: KTR/ESPN
Denmark: SuperSport	Korea: Republic of Korea
Ecuador: MTV 3 (Finnish)/FilmNet	Malaysia: ESPN
Finland: MTV 3 (Finnish)/FilmNet	New Zealand: ESPN
France: RTR	Philippines: ESPN
Germany: Premiere TV	Singapore: ESPN
Hungary: FilmNet	Taiwan: ESPN
Italy: TelePiù 2	Thailand: ESPN
Latvia: FilmNet	USA: NBC
	Canada: CBC

ESPN International shall broadcast exclusively throughout South America, the Caribbean, and Africa.

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	NATIONAL LEAGUE
<b>EAST DIVISION</b>	<b>EAST DIVISION</b>
New York Yankees 27-18	Atlanta Braves 27-18
Baltimore Orioles 25-20	Philadelphia Phillies 25-20
Toronto Blue Jays 24-21	San Diego Padres 24-21
Seattle Mariners 23-22	Los Angeles Dodgers 23-22
Chicago White Sox 22-23	St. Louis Cardinals 22-23
<b>CENTRAL DIVISION</b>	<b>CENTRAL DIVISION</b>
Cleveland Indians 24-19	San Francisco Giants 24-19
Chicago Cubs 23-20	San Francisco Giants 23-20
Minnesota Twins 22-21	San Francisco Giants 22-21
Milwaukee Brewers 21-22	San Francisco Giants 21-22
Kansas City Royals 20-23	San Francisco Giants 20-23
<b>WEST DIVISION</b>	<b>WEST DIVISION</b>
Los Angeles Angels 26-16	Los Angeles Angels 26-16
Seattle Mariners 25-17	Los Angeles Angels 25-17
Oakland Athletics 24-18	Los Angeles Angels 24-18
California Angels 23-19	Los Angeles Angels 23-19
Colorado Rockies 22-20	Los Angeles Angels 22-20

### AMERICAN LEAGUE

Seattle Mariners 27-18	Los Angeles Angels 26-16
Chicago White Sox 22-23	Seattle Mariners 25-17
Minnesota Twins 22-21	Oakland Athletics 24-18
Milwaukee Brewers 21-22	California Angels 23-19
Kansas City Royals 20-23	Colorado Rockies 22-20
Chicago Cubs 23-20	San Francisco Giants 24-19
San Diego Padres 24-21	San Francisco Giants 23-20
Los Angeles Dodgers 23-22	San Francisco Giants 22-21
St. Louis Cardinals 22-23	San Francisco Giants 21-22
San Francisco Giants 24-19	San Francisco Giants 20-23

### NATIONAL LEAGUE

Atlanta Braves 27-18	Los Angeles Angels 26-16
Philadelphia Phillies 25-20	Seattle Mariners 25-17
San Diego Padres 24-21	Oakland Athletics 24-18
Los Angeles Dodgers 23-22	California Angels 23-19
St. Louis Cardinals 22-23	Colorado Rockies 22-20
San Francisco Giants 24-19	San Francisco Giants 23-20
San Francisco Giants 23-20	San Francisco Giants 22-21
San Francisco Giants 22-21	San Francisco Giants 21-22
San Francisco Giants 21-22	San Francisco Giants 20-23

### COLLEGE WORLD SERIES

Altoona 15, Altoona 1	Los Angeles Angels 26-16
Altoona 15, Altoona 1	Seattle Mariners 25-17
Altoona 15, Altoona 1	Oakland Athletics 24-18
Altoona 15, Altoona 1	California Angels 23-19
Altoona 15, Altoona 1	Colorado Rockies 22-20
Altoona 15, Altoona 1	San Francisco Giants 24-19
Altoona 15, Altoona 1	San Francisco Giants 23-20
Altoona 15, Altoona 1	San Francisco Giants 22-21
Altoona 15, Altoona 1	San Francisco Giants 21-22
Altoona 15, Altoona 1	San Francisco Giants 20-23

### SOCCER

World Cup Qualifiers	Los Angeles Angels 26-16
World Cup Qualifiers	Seattle Mariners 25-17
World Cup Qualifiers	Oakland Athletics 24-18
World Cup Qualifiers	California Angels 23-19
World Cup Qualifiers	Colorado Rockies 22-20
World Cup Qualifiers	San Francisco Giants 24-19
World Cup Qualifiers	San Francisco Giants 23-20
World Cup Qualifiers	San Francisco Giants 22-21
World Cup Qualifiers	San Francisco Giants 21-22
World Cup Qualifiers	San Francisco Giants 20-23

### TENNIS

French Open	Los Angeles Angels 26-16
French Open	Seattle Mariners 25-17
French Open	Oakland Athletics 24-18
French Open	California Angels 23-19
French Open	Colorado Rockies 22-20
French Open	San Francisco Giants 24-19
French Open	San Francisco Giants 23-20
French Open	San Francisco Giants 22-21
French Open	San Francisco Giants 21-22
French Open	San Francisco Giants 20-23

### DENNIS THE MENACE



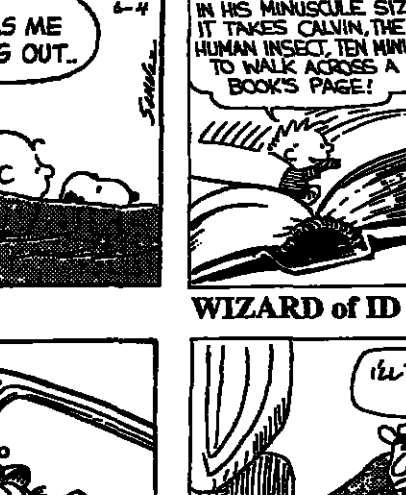
### PEANUTS



### CALVIN AND HOBBES



### WIZARD OF ID



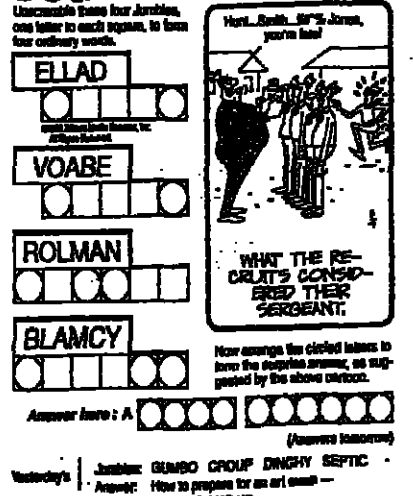
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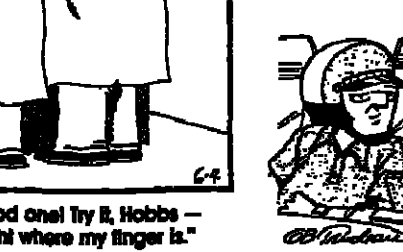
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### DOONESBURY



### DOONESBURY



### DOONESBURY





## *River of No Return*

*Starr, the special prosecutor,*

"Oh God, the Whitewater investigation is so large and my boat is so small."

The central Zodiac dial represents the omnipresence of God while the biblical stories are chosen such as to symbolize God's promise of the Holy Land to the Jewish people, Weiss said.

As for Termant, she plans to make use of that lump in her next book, an account of her recent experiences that she plans to call "The 'Gone With the Wind' Diaries."

**Donna Murphy with her Tony for leading actress in a musical.**

□

Elena Anne Ford, 30, the granddaughter of Henry Ford 2d, and Joseph Daniel Rippolone, 29, a plumber from Long Island, New York, were married in Dearborn, Michigan. Her first husband was a groundskeeper at an exclusive private club in Southampton, New York.

**Jim Carrey** is moving from slapstick antics to more serious acting, and he hopes his fans will come along. "I'm gonna lose some people on this and gain some people, but that's the way you've gotta go," he said in *Entertainment Weekly*. Carrey bypassed his usual over-the-top mannerisms and pratfalls in his latest film, the black comedy "The Cable Guy," and in "The Truman Show." "he will deliver another more serious performance. 'I'm going to see where it takes me,'" he said.

An American public relations company, Burson-Marsteller, has paid Prince Michael of Kent, a first cousin of Queen Elizabeth II, thousands of pounds for hosting private receptions, the Sunday Times reported. Cashing in on royal titles for personal gain is widely

Jenny McCarthy, a former Playboy playmate of the year, had a tough time landing a speaking job in front of a camera. "I can't even begin to tell you how many casting couches I was attacked on," McCarthy told TV Guide. "Not just by casting people, but by stars. And when I wouldn't give up my number, they would say, 'Who the hell do you think you are?' You'll never make it in this town. I'll make sure of it." McCarthy is the host of MTV's dating game show, "Sineled Out."

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